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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 13 December 2007

Journal des débats (Hansard)

Jeudi 13 décembre 2007

Standing committee on finance and economic affairs

Organization

Comité permanent des finances et des affaires économiques

Organisation



Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
Greffier : William Short



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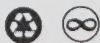
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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
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Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 13 December 2007

Jeudi 13 décembre 2007

The committee met at 1107 in room 151.

ELECTION OF CHAIR

The Clerk of the Committee (Mr. William Short): Good morning, honourable members. It is my duty to call upon you to elect a Chair. Are there any nominations?

Mr. Wayne Arthurs: I move the name of Mr. Hoy, the member from Chatham–Kent–Essex.

The Clerk of the Committee (Mr. William Short): Mr. Hoy, do you accept the nomination?

Mr. Pat Hoy: I do.

The Clerk of the Committee (Mr. William Short): Are there any further nominations? There being no further nominations, I declare the nominations closed and Mr. Hoy the Chair of the committee.

The Chair (Mr. Pat Hoy): Thank you very much. It's a pleasure to be Chair of this committee once again.

ELECTION OF VICE-CHAIR

The Chair (Mr. Pat Hoy): It's now my duty to call upon you to elect the Vice-Chair. Are there any nominations?

Mr. Wayne Arthurs: I move the name of Mr. Lalonde, the member from Glengarry–Prescott–Russell.

The Chair (Mr. Pat Hoy): Do you accept the nomination, Mr. Lalonde?

Mr. Jean-Marc Lalonde: Yes, I do.

The Chair (Mr. Pat Hoy): Are there any further nominations? There being no further nominations, I declare the nominations closed and Mr. Jean-Marc Lalonde elected Vice-Chair of the committee. Congratulations, Jean-Marc.

APPOINTMENT OF SUBCOMMITTEE

Mr. Michael Prue: I move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair, or on the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting; and

That the subcommittee be composed of the following members: the Chair as chair; Mr. Arthurs, Mr. Barrett and Mr. Prue; and that substitution be permitted on subcommittee.

The Chair (Mr. Pat Hoy): Are there any discussions or comments? Hearing none, all those in favour of the motion? Opposed, if any? Carried.

That concludes the business of our committee this morning.

Mr. Michael Prue: Could we have a very brief discussion? It is usual for the finance committee to travel in the months of January and February, and I assume we will be doing so. Is it possible to have a subcommittee meeting soon to determine the times? I know that some may want to take vacations and other things, and if we know when we will be travelling, I'm sure it will be beneficial for all members to know those dates.

The Chair (Mr. Pat Hoy): I agree. The committee business is concluded. I was going to ask if we could now go into a subcommittee meeting. Is that agreeable?

Mr. Toby Barrett: Just another comment: I assume we can go into a subcommittee meeting, and I also understand that for us to meet in between sittings, a motion has to be put forward in the Legislative Assembly.

The Chair (Mr. Pat Hoy): We require a motion from the House, but we could have a motion in our subcommittee meeting, subject to the motion from the House, to do what we might discuss today. So we would do some planning, subject to the House allowing us to do so.

Mr. Toby Barrett: So we could set a time for a subcommittee meeting right now?

The Chair (Mr. Pat Hoy): Yes. I would like to have a subcommittee meeting right now.

This committee is adjourned, and those on the subcommittee will now stay and we'll discuss matters.

The committee adjourned at 1110.

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STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Président

Mr. Pat Hoy (Chatham–Kent–Essex L)

Vice-Chair / Vice-Président

Mr. Jean-Marc Lalonde (Glengarry–Prescott–Russell L)

Ms. Sophia Aggelonitis (Hamilton Mountain L)

Mr. Ted Arnott (Wellington–Halton Hills PC)

Mr. Wayne Arthurs (Pickering–Scarborough East / Pickering–Scarborough-Est L)

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Mr. William Short

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Ms. Anne Marzalik, research officer

Ms. Carrie Hull, research officer

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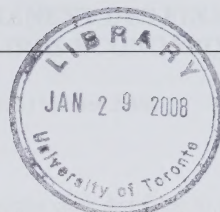
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Monday 21 January 2008

Journal des débats (Hansard)

Lundi 21 janvier 2008

**Standing committee on
finance and economic affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: William Short

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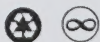
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STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 21 January 2008

Lundi 21 janvier 2008

The committee met at 0901 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. Good morning, everyone. We're pleased to start off our hearings in Toronto in this new year.

First of all, we would need to have the subcommittee report put on the record. Mr. Arthurs.

Mr. Wayne Arthurs: Your subcommittee met on Thursday, December 13, 2007, and Wednesday, January 9, 2008, to consider the method of proceeding on pre-budget consultations 2008, and recommends the following:

(1) That the committee request authorization from the House leaders to meet from January 21 to 24, January 28 to 31 and March 3, 2008.

(2) That the committee hold pre-budget consultations in Toronto, Sault Ste. Marie, Thunder Bay and Timmins during the week of January 21, 2008.

(3) That the committee hold pre-budget consultations in Toronto, Kingston, Guelph and London during the week of January 28, 2008.

(4) That the committee clerk, in consultation with the Chair, post information regarding pre-budget consultations on the Ontario parliamentary channel and the committee's website.

(5) That the committee clerk, in consultation with the Chair, place an advertisement, no later than the week of January 7, 2008, in a major newspaper of each of the cities in which the committee intends to meet, and that the advertisements be placed in both English and French papers where possible.

(6) That each party provide the committee clerk with the name of one expert witness and one alternate no later than January 2, 2008.

(7) That expert witnesses be offered 15 minutes for their presentation and 5 minutes to answer questions from committee members.

(8) That expert witnesses be scheduled to appear before the committee in Toronto on Monday, January 21, 2008.

(9) That interested people who wish to be considered to make an oral presentation contact the committee clerk by 5 p.m. on Friday, January 11, 2008.

(10) That the committee clerk distribute to each of the three parties a list of all the potential witnesses who have requested to appear before the committee by 6 p.m. on Friday, January 11, 2008.

(11) That, if necessary, the members of the subcommittee prioritize the list of requests to appear and return it to the committee clerk by 5 p.m. on Monday, January 14, 2008.

(12) That, if all requests to appear can be scheduled in any location, the committee clerk can proceed to schedule all witnesses and no prioritized list will be required for that location.

(13) That the minimum number of requests to appear to warrant travel to a location be eight.

(14) That all witnesses be offered 10 minutes for their presentation, and that witnesses be scheduled in 15-minute intervals to allow for questions from committee members if necessary.

(15) That the deadline for written submissions be 5 p.m. on Thursday, January 31, 2008.

(16) That, in order to ensure that all scheduled presenters are treated with respect and dealt with without delay during the committee's public hearings on pre-budget consultations, the committee adopt the following procedures:

—That notice be provided of any proposed motion that would refer to issues that would normally be included in the committee's report-writing stage;

—That notice of a proposed motion be tabled with the committee clerk in writing;

—That the committee postpone consideration of the proposed motion until the committee commences its report writing; and

—that adoption of the above notice procedure would not limit in any way the right of committee members to move any proposed motion during the committee's report writing stage.

(17) That the research officer provide a summary of the presentations by Tuesday, February 12, 2008.

(18) That the research officer provide a draft report to the committee members by Tuesday, February 26, 2008.

(19) That, in order to facilitate the committee's work during report writing, proposed recommendations should be filed with the clerk of the committee by 12 noon on Friday, February 29, 2008.

(20) That the committee meet for the purpose of report writing on Monday, March 3, 2008.

(21) That the committee authorize one staff person from each recognized party to travel with the committee, space permitting, for the purpose of pre-budget consultations, and that reasonable expenses incurred for travel, accommodation and meals be paid for by the committee upon receipt of a properly filed expense claim.

(22) That the committee clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

Mr. Chairman, that is your subcommittee report.

The Chair (Mr. Pat Hoy): Thank you. Any comment? Hearing none, are we agreed? Agreed.

PRE-BUDGET CONSULTATIONS

WARREN JESTIN

The Chair (Mr. Pat Hoy): Now we'll move to the order of business this morning. For committee members, each presenter of the next three invited persons has 15 minutes for their presentation. I'll let them go individually, and then I'll call all three up and we'll go in rotation through each party, five minutes each, and you can ask whomever you wish a question.

We'll begin this morning with Warren Jestin. You have those 15 minutes for your presentation and there may be five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard, and then you can begin.

Mr. Warren Jestin: Good morning. My name is Warren Jestin. I am chief economist with Scotiabank and I've brought along with me an Economic Directions report specifically related to Ontario that has been jointly prepared by myself and Mary Webb, who focuses on issues pertaining to fiscal matters.

What I'd like to do is very quickly walk through a slide show that gives you an idea as to what is happening in the global economy and how it relates to Ontario's prospects over the next year to two years.

The first slide is simply looking at average growth rates for various countries. The most important take-home message of this particular slide, on the left-hand panel at least, is the deceleration in US growth that has been going on since the 1990s. The red bar is 1996 to 2001 growth; then the blue bar is 2002 to 2007; and finally, the yellow is 2008-09. This deceleration is something that most analysts in the US anticipate will continue. In fact, if you listen to some Federal Reserve experts on the potential for US growth, they're now talking 2% to 2.5%. This is very important for Ontario because, when you look back at the boom days of Ontario's economy, the US economy was growing at a much, much faster rate—3.5%, 4%, sometimes even well above 4%. So deceleration in the US is occurring. The big issue is what's happening now. We believe the US may well skirt recession in the first part of this year

simply because of the size of the service sector. However, the economy there is going to be very, very weak. In fact, if the turmoil that we're seeing in financial markets continues, you may well see that the slow growth turns into no growth and perhaps even an economic decline, but we're optimistic that they will be able to avoid that.

We, however, are not optimistic at the pace of recovery of the US economy. The structural issues that the US economy faces suggest to us that slow growth will be the order of the day well through 2009 and perhaps beyond. This is a story that is very similar in Europe and in Japan. So the major industrial economies that Canada deals with are going into slow-growth or no-growth mode and they will stay there for the next couple of years.

On the right-hand panel, you will notice the emerging world, a lot of discussion on China and India and the like. I won't belabour this point except to say that while we would expect that a country like China will slow down, it will be from over 11% to over 10%; roughly 10.5% growth is our forecast for this year. Those economies will tend to stay on the fast track, China in particular, by gaining North American market share, gaining market share in Europe, participating in a very robust growth experience in Asia, which is a market that is one and a half times the size of NAFTA and is growing twice as fast, and they will also have gangbuster domestic growth—infrastructural investment; building a highway system in China that's bigger than the US highway system; building a New York City every year. That's the type of economic activity that is occurring in those economies and that will keep them on the fast track.

0910

From a Canadian perspective, this is showing up very clearly in recent trends. On the left-hand panel I'm simply showing the trend in Canadian exports since the beginning of the decade, strongest, as you would expect, in crude petroleum, natural gas until recently, with the US market having softened, and mining. At the same time, things that are particularly important to Ontario, motor vehicles, have not shown any growth, in fact a net decline, and the forest products sector has been very mixed, as you know, particularly with the impact in northern Ontario. We would expect the demand for structural products to remain very weak because the US housing market is in recession and has been so for some time. In fact, I do not think the US housing market has come close to its low point and will be in a very, very weak situation through the balance of this year and into next.

The right-hand panel is looking at Canada's principal market, the United States, and looking at market share of various countries in the US. It comes as no surprise that Canada for some time has been the number one supplier of exports into the US. We recently were passed by China. But what I've done in that diagram is take out energy exports and put another line in there, which is the line denoted "Canada X energy." You will notice that

situation has been somewhat different. China has gained the number one advantage in non-energy exports for some time. Are these trends going to continue? I suspect so. Even in a slow-growth or no-growth environment in the US, the proclivity for US citizens or US consumers to look for bargain items, and the fact that China will be entering the North American market space in the auto sector in a much more significant way over the next few years, all suggest to me that that market will continue to go China's way and that they will gain market share. We will still have a very, very strong position in that market, but it will be a very, very competitive one.

Inflation is going nowhere fast, in our particular forecast. We believe that as the North American economy gears down, inflation will not gear up. There is inflation in some areas. You notice it when you go to the supermarkets. There has been inflation in agriculture because farmers are no longer producing food—they're producing food and biofuel—and there are very tight grain conditions globally. But if you look across the broad spectrum of prices, things like consumer electronics continue to go down. Flat panel TVs, for example, that might have cost \$3,000 two years ago are now in the \$1,500 range. There are a lot of things that are not going up in price. If we are correct and Asia is going to become a much more important factor in assembled vehicles in the North American market, that is certainly not inflationary. That will be bringing car prices down at the low end of the vehicle spectrum. So when we look forward, we don't think inflation is an issue either in Canada or the US. It is not an impediment to lower interest rates.

On the right-hand side you will notice the dichotomy that we see in prices—in the top panel gasoline, new home prices and most recently fuel. Those are the inflationary items. Then you look below—motor vehicles, clothing, consumer electronics are certainly going nowhere fast and actually having declined on balance.

So where are interest rates going in our forecast? We believe that the US will lower interest rates at least one full percentage point over the next two to three months. If we find that our forecast is too optimistic and the US actually does grind to a halt in terms of overall performance, the decline in US rates will be even larger. Effectively, what will happen is that the US Federal Reserve will keep cutting rates until the US economy shows signs of stabilizing and turning around. So one percentage point may be light in exactly what happens, but we believe that is a minimum that US rates will go down. In Canada, we have a lot of fiscal stimulus in this economy. I've travelled coast to coast in recent months and there's still an inherent buoyancy. You see it in the GTA, you see it in southern Ontario in many areas, and because of that we don't think the Bank of Canada cuts nearly as much. However, given the global conditions, given what's happening in the US, I suspect that Canadian interest rates will come down a little bit, perhaps half a percentage point over the next couple of months. If the US situation deteriorates further, Canada may cut a

little bit more but will lag the US both in timing and in terms of the overall decline since the shift from rising interest rates has occurred.

This brings up an important point: The US is out of sync in monetary policy with other central banks. One of the reasons we believe that the US dollar will be weak longer term is that, currently, there's a flight to safety going on; the US dollar is strengthening. I believe this is a temporary phenomenon.

For domestic reasons, I would believe the Canadian dollar goes up. We are a resource-rich country in a resource-short world. We're going to see a lot of investment in this economy. Our fiscal and trade surpluses are something that is rather unique amongst developed economies. For these reasons alone, I would expect, over time, the Canadian dollar to be gathering strength.

At the same time, the US has a massive trade deficit both in energy and with China, which, combined, total nearly \$600 billion, and which are not going away any time soon. As the US finds it more difficult to borrow that money to finance its trade deficit, the US dollar will again return to a declining path. So for both of those reasons, we believe the Canadian dollar will tend towards parity—our average for this year is slightly above parity—although, as you will find as you meet economists in the next little while, there is a huge range in the variance. But even the ones that are forecasting a decline in the Canadian dollar have moved up significantly. Amongst the other major banks you'll find the forecast, at least among the majority, is in the 92- to 95-cent range on average this year; a year ago, that was in the 82- to 84-cent range. The trend is higher. This is very important for Ontario.

Ontario's performance is resilient. You feel a buoyant economy in some places, but we are simply lagging the rest of the regions in Canada and the rest of the provinces. We believe growth will remain best in the west, and that Ontario, and to a lesser extent Quebec, will tend to be lagging in terms of overall performance as manufacturing, in particular, adjusts to a very competitive environment.

On the right-hand side, however, you can see why we are able to maintain growth momentum. The construction industry, we suspect, will remain strong—not on the residential side in producing stronger and stronger performance, but in non-residential and infrastructure investment. The service sector has been strong, both in public services and in the private service sector, offsetting the declines in manufacturing. In fact, on a Canada-wide basis, the growth in construction jobs has almost equalled the decline in manufacturing jobs over the last year.

As we move on, I'll mention a couple of other things that are particularly important in the outlook. The demographic trends provide quite a challenge and quite a differential in performance across the country. Ontario, in particular, benefits from the demographic inflow. It provides inherent demand and stability to the overall economy. Other provinces are experiencing somewhat different performance, but you will notice that where

people are going, at least from other provinces to the west, that trend will continue. We believe that BC and Alberta, because of their particular strength, will continue to gain population from other parts of the country and that Ontario will be, at best, flat, and probably on a negative trend with respect to interprovincial migration. Still, we will be getting very strong immigration flows from outside the country into Ontario for the foreseeable future.

This is simply a panel that shows economic performance across provinces. The left-hand panel shows unemployment rates, for example. If you drew a line down the Ontario-Manitoba border, things are better than average west of that line and at average or below to the east of that line. Almost every economic statistic is pointing in exactly the same direction.

How does that apply to retail sales or relate to retail sales? Well, a similar type of performance: The strength is in Saskatchewan, Alberta, Manitoba and BC in terms of overall growth in retail sales. As we look over the next couple of years, we believe that this pattern of economic indicators will continue, with Ontario challenged to perform at even a 2% growth level. We think it will be significantly less, toward 1.5% this year and next.

If we look at a comparison of the provinces and also the US, you can see, in the top left-hand panel in the red, that Canada is slowing—not as much as the US, which is in the blue, but again, the strength tends to be centred in Alberta and BC.

If you look at energy and its impact on non-residential construction, again, Canada leads. Ontario is actually doing better than the US, but where is the major strength? It is out west in Alberta and BC, largely related to infrastructure with respect to the resource sector.

Housing: This is a key difference between Canada and the US, and one of the reasons why we expect more resilience on this side of the border. We do not have the mess in the household sector that has led to the big declines in housing in the US. Our average households have more equity invested in their house as a percentage of the total value. Stronger job creation on this side of the border, fewer problems with things like subprime—all of these things suggest that the housing sector will be differentially stronger here. In fact, we are the mirror opposite of what's happening in the US. In the US, the strength is in the non-energy export side, and the weakness is in domestic demand. In Canada, the strength is in the domestic side because of fiscal stimulus, job creation and the flow of funds into the country from the energy sector. All of these things provide a better performance on this side of the border.

0920

Finally, on the fiscal front, I've had to put Alberta's numbers on a per capita basis on the left-hand panel to make them fit on the scale, but you can see where the surpluses are the biggest. The important thing is that Ontario is in a surplus position. That is a strategic long-term advantage that I think this country has over other countries because the surpluses allow us fiscal room to accomplish very needed things over the next few years.

Currently, however, it's underpinning program spending and it is underpinning tax cuts. Again, this is an important differential between Canada and the US.

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Mr. Warren Jestin: Okay. In the minute that I have left, I'd like to say that there are a lot of things we could be doing at the provincial level to underpin domestic performance. What I would hope you would focus on are initiatives that improve our competitive advantage. The two areas I would say are physical infrastructure—the roads, the transportation system that we need to put in place to make us competitive globally—and also the educational system, improving the skills levels in our province. We will never be the lowest-taxed jurisdiction. We will never have the lowest labour costs in the world. However, we can have a world-class education and transportation infrastructure that effectively will help us compete in a very, very competitive global environment. Thank you.

The Chair (Mr. Pat Hoy): Thank you. And if you'd be so kind as to wait for the other two gentlemen to make their presentations, I'm sure there might be a question for you.

ROGER MARTIN

The Chair (Mr. Pat Hoy): Now I call on Roger Martin to come forward. You have 15 minutes for your presentation, and there will be questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Roger Martin: Thank you very much, Mr. Chairman. My name is Roger Martin, and I am dean of the Rotman School of Management at the University of Toronto.

Ontarians worry about where the Ontario economy is heading and what Ontario will look like for our children in this rapidly globalizing world. Will our kids be competing for jobs with low-cost engineers in India? Will our kids have few options for working in an Ontario-owned company? Is it inevitable that we'll be overtaken in competitiveness and prosperity by China and India, and maybe even Russia and Brazil, the so-called BRICK countries? The compelling reason for the worry is the apparent hollowing out of Canada, wherein Canadian business icon after icon is disappearing into foreign hands, from Hiram Walker to Labatt to Dofasco to the Hudson's Bay Co. to Inco to ATI. It leaves Canadians, and particularly Ontarians in the industrial heart of this country, asking, "Is no Ontario company safe? Will they all be bought up and run as branch plants?"

To answer these questions, one has to dig deeper into the foreign acquisition of Ontario companies. I'll focus on the large companies that are most familiar to Ontarians, but analysis of the smaller companies shows exactly the same pattern.

When decomposed, it can be seen that the overwhelming majority of the foreign acquisitions are of two

types: foreign takeover of a Canadian company that is not globally competitive, or foreign takeover of a Canadian company that is a legitimate global competitor, but that by the time of the foreign takeover had ceased to innovate and upgrade its competitiveness.

A company is in the first category if it did not rank in the top five in its industry worldwide at the time of the takeover by a foreign entity. Some were purely Canadian: Hudson's Bay Co., Shoppers Drug Mart, Trimark Financial and Yellow Pages, to name but a few. Many others were small players on the global scene who chose for whatever reason not to keep pace with the global leaders, or were incapable of doing so despite best efforts: Dofasco, Stelco, Labatt, Laidlaw, Newcourt Credit—again, to name but a few.

The second category, which is the globally competitive companies that cease to innovate and upgrade, takes a two-step process to identify. First, we have to ask what is the universe of foreign acquisitions of large-scale—and there I used over \$1 billion in revenues—globally competitive, i.e. in the top five in their industry globally, Canadian-owned, Ontario-based companies? In the past 22 years, since 1985, only seven such companies have actually been acquired.

The second piece of that is, of those seven companies, how many had ceased to innovate and upgrade by the time they were acquired? I would argue that five of the seven are in that category: Falconbridge, Hiram Walker, Inco, Moore and AMCA. Nobody has accused Inco or Falconbridge of being innovators in their industry, and they didn't feel sufficiently motivated to collaborate in Sudbury in ways their new owners from Brazil and Switzerland are eager to start immediately. Hiram Walker had been harvesting its brands and engaging in unrelated diversification by the time it was acquired, and Moore was doing likewise. These companies make up the second category. So these two categories—non-globally-competiting and non-innovating globally competing—make up the vast majority of all acquired Ontario large companies.

A third category is tiny and made up of only two Canadian-owned, Ontario-based, globally competitive companies that were actively innovating and upgrading and were nonetheless acquired by a foreign entity in the past 22 years. That's only two such companies, and of those two, only one is actually a clear example of the phenomenon. Masonite International was recapitalized by a private equity firm and left with its head office in Canada, not taken over by an industry player, so it's hard to argue that that's a clear case of hollowing out. In the last 22 years, only ATI, which was acquired by the bigger, broader player Advanced Micro Devices, was a globally competitive, innovating and upgrading Ontario company acquired by a foreign company that turned its Ontario operation into a branch office. Outside Ontario, there's only one other such Canadian case in the past 22 years, and that's Alcan, which was acquired by Rio Tinto.

So it feels terrible to Canadians when a brilliant new start-up like ATI, which had achieved number one status

in its industry of graphic computer chips, gets swallowed up by a big logic-chip maker, or when a great Canadian company like Alcan that grew very aggressively, both organically and by acquisition, to be one of the top aluminum companies gets taken out by one of the world's two mining behemoths, but Canadians need to remember how Americans felt when Thomson bought Minneapolis-based West Publishing, the number one legal information services provider in the world, and how the British felt when Thomson announced the acquisition of Reuters, the number two financial information services provider in the world, and turned them into subsidiaries.

In a globalizing world, some companies that don't particularly deserve to be taken over, like ATI and Alcan, will be acquired. The real question for Canada and for Ontario is whether more will be taken over than will be built, and on that front, the news for Ontarians is overwhelmingly positive. Over that same 22-year period that those one or two Canadian-owned, Ontario-based, globally competitive, innovating and upgrading companies were purchased, 15 other globally competitive Ontario companies were grown, including RIM, Magnum, Manulife Financial, Thomson and Barrick Gold, to name but a few. The creation of new, globally competitive Ontario champions dwarfs their loss literally by an order of magnitude, and those 15 new global leaders built represent nearly half the Canadian number of 32, so this is where Ontario is so important, while in Canada, only two or three were acquired.

So the fundamental questions that worry Canadians and Ontarians have a clear answer. If Canada continues to grow globally competitive companies that get there and stay there by continuously innovating to upgrade their competitiveness, Canada will prosper and our children will have many great jobs to choose from in Canadian-owned companies. Thus, the imperative for Ontario prosperity and competitiveness in this modern, globalizing economy is to create an environment that nurtures the global aspirations of Ontario companies and supports them in continuously innovating to upgrade their competitiveness. From a defensive standpoint, that's the only way Ontario is going to have meaningful Canadian-owned companies. Companies that don't compete globally and upgrade continuously will get swallowed by foreign companies that do both. That's already absolutely clear, and, if anything, the trend will accelerate both in Canada and around the world.

From an offensive standpoint, globally competitive companies have higher productivity and greater productivity growth than non-competitive companies. They do more R&D. They can afford to invest in greater-scale operations. Ontario companies that achieve global scale, such as RIM, Thomson, Manulife Financial and Barrick, are major wealth creators for Ontario.

So what policy mix can Ontario pursue to nurture the global aspirations of Ontario companies and support them in continuously upgrading their competitiveness? Obviously, the policy mix can't do the job on its own. A big piece of the puzzle is in the performance of Ontario

firms and their management teams. However, the policy mix can be more or less conducive to the goal, and it's time to aim the policy mix directly at nurturing and supporting global competitiveness.

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The three highest-priority areas within the Ontario environment for nurturing the global aspirations of Ontario companies and supporting them in continuously upgrading are as follows:

(1) Lowering the cost of investment. Investment is the lifeblood of upgrading. Companies invest to upgrade and improve the sophistication with which they compete, whether they invest in training their people, engaging in R&D, advertising their brand, acquiring machinery and equipment, or building production facilities. The only way to become globally competitive is to invest, invest, invest.

To encourage an investing culture, we need to improve the environment for investing, which in Ontario leaves something to be desired. In Ontario, we still have one of the highest marginal tax burdens on business investment in the world. This is simply unacceptable in an environment in which building globally competitive companies is paramount. Our tax policy needs to drive down marginal rates on business investment to among the lowest in the developed world from one of the highest. One effective and targeted way to do so is to move to cash accounting for corporate income tax purposes. There is no reason why in a pro-investment environment we should ask companies to pay for investments today and only receive a tax break on that investment as they depreciate, sometimes over a long period of time.

Second, the key motivator for making investments is to reap capital gains from those investments. In the current environment, those gains are eaten away by inflation, especially those gains that take a long while to materialize, which often happens for globally competitive companies. Why? Because the size of the gain is calculated as the difference between the realization in inflated dollars and the investment in nominal dollars, making the gain much bigger for tax purposes than it really is. To encourage a culture of investment, we should index capital gains for inflation so that inflation doesn't eat away at the net gain on investments. Now, I'll be a bit of a romantic here, but doing so would hearken back to a time when, on the basis of Canadian scholarship, Canada adopted a uniquely successful tax policy based on indexing for inflation. This was in 1971, when, on the basis of the advice of Kingston-born-and-raised future Nobel laureate Robert Mundell, Canada broke with convention in the US and elsewhere by indexing tax brackets so that Canadians in the progressive income tax system wouldn't pay higher taxes simply by having their earnings inflate them into higher tax brackets. Canada benefited enormously from this policy in the 1970s relative to the US. The US finally realized the importance of the policy innovation and indexed tax brackets in 1981. We cleverly de-indexed them in 1984. These policy changes would be aimed at providing much higher

encouragement to companies to invest aggressively to upgrade their competitiveness.

(2) We've got to define and support innovation broadly. Innovation is critical to upgrading competitiveness, innovation and policy, and Ontario cannot characterize innovation so narrowly as it does. Whether or not there is a truly conscious consideration of the issue, innovation policy in Ontario construes innovation to be something that happens in a narrow range of industries—computer hardware and software, communications hardware and software, aerospace vehicles and engines, pharmaceuticals and biotechnology, and medical devices—and that innovation is all about scientists working on technology. That is where the vast majority of the funding of all sorts goes to in innovation in Ontario and in Canada.

Sadly, those sectors that I mentioned, the high-tech sectors broadly speaking, represent less than 2% of the jobs in Ontario and only a slightly higher proportion of the wages or GDP contribution. Even though the general public and policy-makers think that the numbers are dramatically higher in the high-tech-oriented US, they are not; it is a myth. Those sectors also represent less than 2% of the jobs in the US. In fact, the total size of these sectors in Ontario is exactly, precisely the same, down to the second decimal point, relative to the economy in the US: both 1.96% of jobs, not 1.97% or 1.98%—1.96%. So the US is not more innovative than Canada because it has a bigger high-technology sector; it's simply false. It is more innovative because it values, supports and expects innovation across the other 98% of the economy as well as the high-technology sector, and we don't. In Canada, the innovations that made Masonite, Four Seasons, Couche-Tard, Gildan, Magna and McCain global leaders would not be counted as innovation. But America sees FedEx, Wal-Mart, Southwest Airlines and Starbucks as innovators. They are right and we are wrong. We see RIM as a successful global leader due to technology innovation. It is a technology innovator. However, as important as technology innovation is to RIM, equally important to its success was innovation in carrier relationship strategy.

Ontario needs to recognize that all sorts of business innovations are needed across all sectors of the economy to have a continuously upgrading economy and globally competitive companies. If we want more innovation that makes a difference to the economy, we need to broaden the support for innovation. Currently, we support exactly one type: scientific research. There is no evidence—none—to support the notion that this type of innovation is more valuable in the economy than, for example, business model innovation of the sort that McCain or Starbucks engaged in to create massive value.

We should broaden support for innovation projects designed to enhance global competitiveness. If governments in Canada can make a decision to provide funding for promising scientific research projects, why not for promising business innovation projects, which would have the benefit of encouraging Canadians to think that all innovation is created equal?

(3) Paying disproportionate attention to global competitors. The government of Ontario should pay disproportionate attention to Ontario's globally competitive companies. It's not as though it pays no attention to them, but it's not at all clear that it pays disproportionate attention to them, and it's more probable that it pays attention to the large Ontario-oriented companies that have most or all of their operations in Canada. Senior officials of the Ontario government should know personally the CEOs of the 35 \$100-million-plus in revenue Ontario global leaders who are in the top five in their industry worldwide. It should understand what those companies are trying to accomplish globally and be seeking to assist them in any way that's feasible and practical for a government to do. Their needs and interests are simply much more important for Ontario's prosperity than the needs and interests of the non-globally competitive companies. While it can't, and shouldn't, simply hand them cash, which has little evidence of working elsewhere, it should be particularly attentive to their needs.

In addition, it should know the companies that have credible plans to make it to a position of top five in their industry globally, because those companies represent the future of Ontario. The companies that don't have such aspirations are simply not as important to Ontario's future. They will eventually all be owned by foreign companies if they don't aspire to be global leaders. In many ways, this is the least expensive initiative in terms of tax dollars or spending but the most time-consuming for senior government officials. However, in a globalizing economy, the time they take to get to know what it takes for Ontario companies to succeed globally will probably be the most valuable time for Ontario's future that they spend.

In conclusion, it's a global game. While its emergence and evolution is unsettling to virtually every jurisdiction on the planet, Ontario should not fear the global game or feel it can't play the game and play it well. It's already producing globally competitive companies that are innovating and upgrading their competitiveness at the highest level and producing them at a rate that far exceeds the rate at which Ontario companies are being bought by foreign entities. Ontario companies that don't aspire to become globally competitive or to continuously upgrade their positions when they achieve globally competitive status will get bought by foreign entities, and Ontarians will have to get used to that. Our prosperity will be determined by the degree to which our companies aspire to play in the global game and play it well.

The government of Ontario has an opportunity and a duty to help put our ship in order in the three ways discussed above and, in doing so, help our Ontario companies set sail on the global waters.

The Chair (Mr. Pat Hoy): Thank you. You had six seconds left, so you did very well.

Mr. Martin, I've had a request by one of the members that, if you could provide a copy of your presentation to the clerk, he'll ensure that everyone on the committee gets a copy thereafter.

Mr. Roger Martin: I will do that.

The Chair (Mr. Pat Hoy): Thank you very much.

HUGH MACKENZIE

The Chair (Mr. Pat Hoy): And now, Mr. Hugh Mackenzie. You've been sitting here, sir, and you would know that you have 15 minutes for your presentation. I would ask you to identify yourself for our recording Hansard.

Mr. Hugh Mackenzie: My name is Hugh Mackenzie. I'm a co-chair of the Ontario Alternative Budget Working Group. I'm also a research associate with the Canadian Centre for Policy Alternatives. For my sins, I'm also an economist.

You have a handout that provides a sort of update and an outline of what I'm going to say, but what I'm going to try to do is to focus on things that you as a committee might actually recommend that the government do.

This is a particularly challenging time for a Minister of Finance and a financial group in Ontario because it's important that the government keep its eye on a number of things at the same time. I'll just tick off several of them.

The government has a very ambitious agenda, at least as announced, towards the alleviation of poverty. I think it's important that the government keep its eye on that objective, and I'll come back to some of the reasons why in a few minutes.

Second, while we haven't slipped into recession yet, and there's a lot of debate about whether we will, certainly the economy isn't doing as well as it was a couple of years ago, and that's something that the government has to keep its eye on. In particular, it's important that the government do the things that it can do and not do things that make things worse.

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The third thing that the government has to keep a focus on is what it is doing to influence our economic direction in the intermediate and distant future. One of the most important things that the government has to focus on is to ensure that Ontario has the fiscal capacity to meet the challenges in providing public services that are implicit in some of the remarks that were made before me today. There is a broad consensus that we need to invest much more heavily in physical infrastructure. There's a broad consensus that we have to continue to invest, and invest more, in improving the quality of our education system. Those imperatives draw heavily on Ontario's physical capacity, and we need to worry about that. We need to continue the process of rebuilding public services in Ontario.

Something that has occupied a lot of air time in the last year or so but hasn't been mentioned so far this morning and that I think is actually pretty fundamental to Ontario's medium- and long-term economic prospects is to do something to repair—"repair" probably isn't the right way of putting it because it implies that it was once working—but to address the lingering problem of the

dysfunctional provincial-municipal, provincial-local financial relationship. I would describe the provincial-municipal financial relationship in Ontario as odd, and I'll get into why in a couple of minutes. The provincial-municipal financial relationship underlies some of the problems that we're having in other areas. It certainly speaks to the issue of growing poverty and inequality because, frankly, too much of the responsibility for paying for the services that are required in those areas sits at the local government level. One bit of an eye-opener in thinking about public infrastructure is to recognize that local government is actually responsible for about 60% of the physical infrastructure in Canada, and yet local government has the narrowest fiscal base. Those numbers apply equally to Ontario, so it's important that we address as a priority getting that relationship straight.

The other thing that Ontario needs to think about and take into account as it's putting together its budgetary policies this year is what the federal government is or is not doing. I don't think I'm overstating it when I say that from the perspective of worrying about the right things in the Ontario economy and worrying about the right things when it comes to public services in Ontario, the federal government is a lost cause. The federal government appears to be completely uninterested in the level of government that is responsible for about 60% of the infrastructure in Canada, namely local government. The federal government keeps saying and doing things that, frankly, are astonishing. In a global context, given the acknowledged importance of urban areas in the economic development of major developed economies, to respond to the issues of lack of fiscal capacity for infrastructure and other services at the local level by saying that the federal government isn't in the business of fixing potholes just strikes me as such a bizarre and cavalier attitude towards what is really a pretty fundamental economic problem that it's almost beyond belief. So those are the kinds of things that I think Ontario needs to worry about.

Let me focus a little bit more specifically on some of the narrower issues.

With respect to Ontario's fiscal position, it's been noted that Ontario is in surplus. In fact, if you look behind the numbers as they're currently outlined, there's actually a much larger surplus in Ontario's books for this year than is immediately apparent on the surface. I've been involved in thinking about Ontario budget issues for—I hate to say it—over 30 years, and this is the first time in those 30 years that I've seen a government increase its reserves and contingency funds during the fiscal year, so that Ontario is now holding unallocated contingency reserves, as of the most recent numbers that we've got, which are the end of the second quarter—that it has higher reserves than it had at budget time. That serves to mask what is actually a pretty buoyant fiscal situation in the current year.

Before anybody gets too excited about that, though, I think it's important that we also recognize the huge gaps that exist on the public services side and some of the

ominous signs about revenue that are reflected in the numbers in the economy of the United States. On the public services renewal side, even in the areas where the government has invested significant amounts of money—I'll point specifically to elementary and secondary education—there's still a huge gap between what's needed and what's being provided, and given the importance of education in the long-term future of the province, that's a particularly difficult problem. We can see the evidence of that in the stresses and strains that particularly afflict the large urban school boards in the province, but also school boards in northern Ontario, for example, which are really feeling squeezed as enrolment declines and they're struggling to keep up with the demands. Ontario is investing more in public infrastructure, but it needs to invest a lot more. That's going to be a huge draw on Ontario's fiscal capacity.

On the economic front, this is one of those areas where I think it's important that Ontario not do the wrong thing. If there is a recession in the United States, that is going to have a direct impact on government revenues in Ontario, and I think it's critical that the government resist the pressure to cut its spending, to cut its investments in public services in the teeth of a recession. One of the things that's really quite striking when you look at the numbers for employment growth and economic activity growth, particularly in Ontario but also across Canada, over the last couple of years, is the extremely important role that rebuilding public services, not just in this province but elsewhere in the country, has had in bolstering employment growth and broader economic growth. It would be unfortunate, to say the least, if, faced with relatively short-term deteriorations in the revenue base, Ontario decided to cut its way into a balance in an economic decline, thereby sacrificing really important goals in poverty alleviation and investment in education and infrastructure.

Specifically on the question of fiscal capacity, I'm not going to let Ontario off the hook, because we've had this curious phenomenon in the last year or so of Ontario, and particularly Ontario's Premier, joining in the chorus calling on the federal government to turn over a point of GST to local governments. When the federal government decides, "No, we're not going to do that"—and the federal government's position has been pretty consistent through several governments: "We're not going to collect taxes for provincial governments. If provincial governments want to do things, they have the sovereign ability to raise their own taxes."

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The reduction of the GST had the effect for Ontario of creating tax room, an opportunity for Ontario to rebuild its fiscal capacity. It struck me as kind of odd that on the one hand, Ontario is saying there is a need for increased investment in local public services in this province—that's why Ontario supported the call for the transfer of GST points to local governments—but when the room is opened up to enable Ontario to do that, Ontario just goes dead silent. We have a critical need for increased fiscal

capacity to deal with these issues, and Ontario should be thinking creatively about the opportunities that exist in this province to rebuild fiscal room and create the fiscal capacity to be able to do those things.

Unfortunately, this next comment probably falls into the area of fantasy, because I don't think the federal government is a willing player, but one of the things that my colleagues prior to me mentioned in their remarks was the issue of the relationship between the tax system and investment. One of the areas where the tax system does act in a pretty counterproductive fashion as it relates to investment is the way the Ontario sales tax relates to investment activity. Because of the way the sales tax tends to cascade, we have different effective tax rates on investments that can end up being substantially higher than the nominal 8% rate. The fact that the federal government seems to be becoming increasingly disinterested in raising revenue through the sales tax suggests that there's an opportunity for big think between Ontario and the federal government in which the federal government basically serves to increase some fiscal capacity at the provincial level by transferring fiscal capacity out of the sales tax at the federal level to the provincial level to provide a buffer in which provinces, and particularly Ontario, could do something to reform the sales tax system, maybe not going to a fully harmonized system, as is the case in Atlantic Canada, but certainly moving towards something like the system in Quebec, which gets rid of some of that cascading effect of taxation on investment.

The Chair (Mr. Pat Hoy): You have about a minute left.

Mr. Hugh Mackenzie: I'm going to conclude with some comments about the provincial-local financial relationship, because again I think Ontario has kind of gotten away with something here in suggesting that the financial problems of local governments in Ontario can in fact be visited on the federal government.

I draw your attention to the chart that I put on page 6 of the document I distributed, which shows transfer payments from the federal government to the provincial government and from Ontario to local governments over a very long period of time, from 1961 to 2003. There's a really interesting pattern that emerges here, which is that whenever we see increases in transfer payments from the federal government to provincial governments, we have tended to see corresponding increases in provincial transfer payments to local governments. That pattern persisted right through until 1997.

Then in 1997, we saw federal government transfer payments start to recover as a share of GDP as the federal government balanced its books, but provincial transfer payments to local governments—the legends here unfortunately got reversed. Federal transfer payments to provincial governments increased; provincial transfers to local governments continued to go down as a share of GDP. That ties into what I'd describe as a uniquely dysfunctional relationship between provincial governments and local governments in Ontario. When you look

at the national data, Ontario is responsible for a disproportionate share of provincial use of the property tax base for provincial purposes. It's responsible for a disproportionate share of local government funding of social services and a disproportionate share of local government funding of health. Ontario is unique in Canada in the mess it has managed to create in the provincial-local financial relationship. It's something that we really need to deal with because of the importance of urban economies in our economic future.

The Chair (Mr. Pat Hoy): If you'd just maintain your seat there, I would invite the other two gentlemen to come forward. We'll now move to questions. Each party will get five minutes. If you would state whom your question is for, it would be helpful. Mr. Hudak.

Mr. Tim Hudak: Thanks to all three gentlemen for the presentations. My colleagues have questions too, so I'll direct mine to Mr. Martin. I'll ask them all at once.

A big part of your premise was foreign ownership of formerly Canadian Ontario-based companies and the types that were taken over. You talked about Dofasco or even the leaders like Inco that were taken over because they didn't innovate. Is it actually consequential to business decisions that they're foreign-owned? I wasn't sure if that was part of your premise or not.

The second part is, you talked about investments into these companies; the government has them narrowly defined in the 2% segment of the business sector. Do you think that's the proper approach—the interest-free loans governments use and direct loans that the government has used—or is better to concentrate on the marginal tax you mentioned earlier?

Mr. Roger Martin: On the first question, actually that's stuff that we're doing research on right now: to try to figure out what difference it makes for Canada whether a company is Canadian-owned or foreign-owned. So the answer to that is that we don't really know. What we do know is that when a Canadian company like RIM or Thomson globalizes and creates a huge global success, Canadian shareholders disproportionately reap the wealth benefits of that and lots of that ends up being very good for the economy. We will know much more in six to nine months about what the effects are of whether you're foreign-owned or not; the effects on employment, the effects on charitable giving, the effects on a whole bunch of other things. My bet is what we're going to find is that it varies depending on who the foreign owner is and what the Canadian operation does: Does it just import foreign stuff or does it have a global product or service mandate operating out of Canada?

On what Canadian governments, including the Ontario government, need to do on investment, I think it's sort of both. I think we've got to get the marginal tax rates on business investment down. There is no good reason in the marginal economy to try to get tax revenues that way. That doesn't mean I think all taxes need to come down, but that's a silly way to tax. I think the Ontario ministry of innovation that has been created really has to look at innovation more broadly. If we aim the power, strength

and authority of the Ontario ministry of innovation at 2% of the economy, we're just being silly. We wouldn't be alone. There's lots of silliness in innovation policy around the world. It's one of the silliest policy areas in the world, where's there's silliness, silliness and more silliness. I'd rather we have the non-silly policy on that front.

Mr. Toby Barrett: I wish to thank all three presenters.

I have a quick question for Mr. Jestin on your Scotiabank briefing. Obviously the soaring loonie has hurt our exports, and I'm assuming we're in a bad position as far as imports. You state that nearly half the employment growth in the past year has been in the public sector, and you talk about how public-private sector services are three quarters of the provincial economy. Given what's going on in the States, if we did go into a recession on this side of the border, do you feel it's advisable for this government to continue to foster public sector spending? I think of that phrase—I'm just speculating. If there was a recession in the next several years, is it possible for this government to continue to tax and spend and theoretically spend its way out of a recession, if that were to happen?

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Mr. Warren Jestin: As Roger has just indicated, on the tax side, making it the most efficient and effective should be job one. Over the next year or so, given that the corporate tax revenue base is going to get squeezed with what's happening because of the loonie and with the slowdown in activity, there's not going to be a whole lot of money to make huge new decisions. In fact, I think that the extra reserve is probably going to show up to be extraordinarily prudent on a go-forward basis because we are dealing with a much tougher economy.

On the spending side, it depends on what you spend the money on. To the extent that we're including the overall infrastructure in this economy, whether—I mentioned transportation, but it could be the electricity grid. We could go down the list; it could be in joint partnership with the private sector so we get more leverage in that—everything being aimed at competitiveness, then I think the government is doing its job. If it's focused on something else and it's simply focused on helping spending on the consumer side, we don't need that. In fact, I don't think we need anything to induce more consumer spending, because consumer spending is not the problem in the economy.

The Chair (Mr. Pat Hoy): Thank you. Now we'll move to the NDP and Mr. Prue.

Mr. Michael Prue: A couple of questions. First of all, let's start with Mr. Martin. I listened to what you had to say, but I also had an opportunity to very quickly look through the handout. You are calling for no new taxes or levies, a way to find to reduce taxes on individuals and companies, the elimination of the Ontario capital tax, and on and on.

Mr. Roger Martin: What's that from?

Mr. Michael Prue: Isn't this yours, the—

Mr. Roger Martin: No. I think that's somebody else's. I didn't have a handout.

Mr. Michael Prue: They handed this out, and I thought it was yours. All right.

Do you believe, then, that tax reduction is necessary? Maybe I could just ask that.

Mr. Roger Martin: For me, the issue of taxation is not an issue of level. If you look at the overall level of our tax take as a percentage of GDP, it isn't out of line at all. In fact, it's below the average of the industrialized countries. It's just the structure of it. We have an unfortunate structure of our tax system, which has just been made more unfortunate with the two-point drop in the GST. If we're talking about silliness this morning, that's big-time silly. So no.

I think it needs to be rearranged to be more purposeful. Our tax system is kind of random and ill advised in many respects. I wish the dialogue would get away from, "Should we increase or decrease taxes?" because that makes it a more divisive issue than, "How can we make it be smarter—better for all Canadians, better for the growth of the economy and less silly?"

Mr. Michael Prue: I can see the other two economists shaking their heads. Do you agree that we need to continue collecting the same amount of taxes? Should there be reductions? Should we be collecting more?

Mr. Warren Jestin: I think you're going to find over the next few years that the government doesn't have the problem of having too much money to spend because of the challenges that we face. I agree wholeheartedly: I think it's the issue of how we tax, and making it efficient and effective. That's where we can make huge gains in our competitive structure in this economy: if we make our tax system effective.

Mr. Michael Prue: And Hugh?

Mr. Hugh Mackenzie: At the risk of creating a rare note of agreement, I guess both Roger and I must have been watching Monty Python on the weekend, because I think that, from an economic perspective, for the federal government to be cutting the GST at a time when we've got significant problems of underinvestment in public services in a whole wide range of areas is silly.

One of the things that I think is important to note is that when we talk about rates of taxation on investment, everybody naturally gravitates towards the marginal tax rate on profits. In fact, probably the biggest single contributor to the differential between effective tax rates, as they've been measured by folks at Rotman who studied this, and tax rates elsewhere in the world is found through the sales tax structure, not through the marginal rates on corporate income. Unfortunately, I think we've missed the opportunity. With the federal government's revenue base having recovered so spectacularly in the last 10 years, we had the opportunity to use the GST component of that revenue gain as a kind of lubricant for broader change in the way that sales taxation works in the country, and I think we've blown it. The general political pressure against recovering tax room means, I

think, that we may have missed the opportunity to make a big difference.

I don't want to let Roger's comment about cash flow taxation go past either. I actually think that would make sense. The difficulty with cash flow taxation is the transition from what we've got now to a totally different system and also thinking about how it relates to taxation systems of other countries, which we can't ignore, because it's very difficult, in an economy as open as ours and with capital flowing around as easily as it does, to have a tax system that's dramatically different from others.

The Chair (Mr. Pat Hoy): Thank you. Now we'll move to the government.

Mr. Wayne Arthurs: Gentlemen, thank you for being here. This is my third opportunity to be at this committee in the past four or five years, and I must say that each time, I'm humbled and in some awe of what your experience, either individually or collectively, brings to this table. Hugh mentioned 30 years, and I'm sitting here going, "30 years? Some days, three seem like a long time." But there's such a wealth of information. There are a couple things I want to comment on and then ask what will be the only question, I think, this morning.

The degree of consensus seems to be around issues such as infrastructure, education, innovation—to be innovative, to retain and enhance our competitive situation on a global basis, on a go-forward basis. The investments we've committed to post-secondary education in support of that—I don't think there's probably much disagreement that we're on the right track in that regard. So I'm encouraged by what I'm hearing almost as a degree of consensus around some key issues. I hope that we can continue to do what we're doing and build on some of your comments to position Ontario as well as we can.

My question, though, this morning is around the dollar. There'll be those who would say that if the Ontario dollar is high, it's going to be a disadvantage to us, and that if it's too low, there's no real need for productivity. What's your view on the dollar in the context of—is it an opportunity for us to drive an agenda for enhanced productivity? Will business respond, will the public, the workers, respond to a higher dollar in finding a way to be more productive to enhance our competitive position or at the very least retain our position? You probably have about a minute each because I've taken some of your time away from you.

Mr. Warren Jestin: I think the important point is that we are not price setters on the currency, we're price takers. The currency is going to drive the necessity—it's actually made it more immediate—to make the adjustments. But taking the currency away, those adjustments would have had to be made, because the world out there is getting hugely competitive, even if our currency hadn't caused the sudden squeeze on earnings and the like. So in a way, it's part and parcel of the need for the things that we've been talking about to improve innovation and competitiveness in the economy.

Is it going to go away? When I travel across this province and across the country, the first thing I say is,

"If you're in the export business, you may luck out and the currency goes down for a bit, but do not bet on it. Absolutely do not bet on this. Get ready for a currency around parity and see what you can do to thrive in this particular marketplace."

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Mr. Wayne Arthurs: Is it good or bad for us?

Mr. Warren Jestin: It's both good and bad, depending on your position in the economy. It is probably a cold shower that Canada has needed, in a way, to move along a much more competitive line.

Mr. Hugh Mackenzie: My quick answer would be that in the long term, it probably doesn't matter. In the short term, nobody in their right mind would argue that a 15% or 20% change in one year is healthy. That's not a cold shower, that's an ice bath, which leads me to say that nobody in their right mind would describe driving up the value of the Canadian currency as a productivity-enhancing move. It's what happened.

One of the things that I think may be unfortunate—maybe we should change the name of the currency to something else. We in Canada—and I guess to a certain extent the Australians, because they have the same problem—because our currency has the same name as the American currency, tend to get completely preoccupied with how our currency relates to other currencies. People in other countries whose currencies have different names aren't as preoccupied with it as we are. As I said, in the long term currency really doesn't matter, because in the long term the economy adjusts to these things. The problem is, when you get swings of 15% and 20% in a year or year and a half, there is no possible way to respond productively to that.

Mr. Wayne Arthurs: Do I have time to hear from Mr. Martin?

Mr. Roger Martin: I guess I would concur with the last piece of that. I think it's both good—the level is good. I'd like a dollar that starts with something in the 90s, so I don't mind the level, but this was an unprecedentedly fast appreciation. In fact, it is three times higher than the highest previous appreciation. The highest previous appreciation was around 21%, between 1985 and 1991. This was 60% between 2001 and 2007. That's so fast that you can't adjust your productivity at that pace. What I was hoping was that it would go from the low 60s to something in the 80s and then a few years later something in the 90s, and it all went very, very fast. That having been said, I think what's good for the economy in the long run would be a dollar somewhere in the 90s.

The Chair (Mr. Pat Hoy): Thank you to all three of you for appearing before the committee. We appreciate it very much.

RETAIL COUNCIL OF CANADA

The Chair (Mr. Pat Hoy): Now I call on the Retail Council of Canada to come forward, please. Good morning. You have 10 minutes for your presentation, and there

may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Peter Woolford: My name is Peter Woolford. I'm vice-president of policy development and research for Retail Council of Canada. To my left is my colleague Rachel Kagan, who is our national manager of government relations with respect to the environment.

Mr. Chairman, thank you for inviting us here this morning. It's a pleasure to be back in front of the committee. It's been a couple of years since I've been here, and on behalf of Retail Council of Canada, we're very grateful for the opportunity to provide the thoughts and concerns of our members to the legislators today as you start to consider the Ontario budget.

Let me talk a little bit about the retail council, give you our perspective on the economy, and then make our policy recommendations.

RCC is the voice of retail. We speak on behalf of members who operate more than 40,000 stores across Canada. Within Ontario, retail is big business. Our members in this province operate more than 80,000 stores, they offer more than 800,000 jobs to Ontarians, and last year they sold roughly in the range of \$145 billion of direct sales, so it's big business. At the same time, it's small business. Most of those enterprises are independent businesses, owned and operated by an owner and his or her partners or spouse or family.

Looking forward to 2008, we expect the Ontario economy and retail sales to grow slowly, and this is at a rate that will be the weakest in Canada. This softness is driven by the continued major restructuring of the economy, especially in the manufacturing and processing industries. Just as you heard from the gentlemen who preceded us, we see a similar pattern emerging this year in the economy. We also recognize the very real possibility that the problems in the world financial markets will spread to other parts of the United States and world economies, and in that case the outlook for Ontario could worsen significantly and, more importantly, could last much longer. That's the concern I think our members have: not that we might see a sharp recession, but that the soft conditions might continue for quite some time.

Let me turn now to talk about our general fiscal policy perspective and then some specific technical changes that we would like to see as well.

First, faced with this challenging and somewhat threatening future, fiscal policy must be focused on improving the conditions for economic development. At this point in the cycle, Ontario citizens, workers and companies are looking to the government for leadership and for support in the face of some very challenging circumstances. To help on that, we offer three recommendations.

First of all, the government must stop undercutting the economic health of individuals and companies through tax increases, and, if at all possible, find ways to reduce taxes.

Secondly, in recognition of companies' need to invest to improve their competitiveness, the government should eliminate the capital tax for all sectors. However, if it cannot do this, the capital tax exemption threshold should be increased immediately to \$50 million to ease the burden on mid-sized companies.

Thirdly—and this is an old song that I know many members of this committee have heard me sing before—harmonize the provincial retail sales tax with the goods and services tax. We recognize that this is a controversial recommendation, but this one step would give all Ontario businesses a significant increase in their competitiveness. The second thing I wanted to say in this regard is that this is not a transfer of tax from companies to individuals. Yes, the tax is remitted by companies, but it then cascades through the supply chain, adding tax on tax on tax. These are all built into the prices that consumers pay and ultimately into the export prices that Ontario businesses have to present to their foreign customers. All harmonization does is make it obvious to citizens how much tax they actually pay when they make their purchases in this province. If the government decides it cannot persuade Ontarians of the need for this support for jobs and growth in industry, we would suggest, at the very least, the harmonization of the retail sales tax base, as was done by Manitoba some years ago. Finally, if the government does proceed with harmonization, we again make the request that merchants have the freedom to show prices exclusive of tax. This is an extraordinarily important element for us. Otherwise, the benefits of harmonization for retailers and consumers are lost, the domestic market is broken into fragments, and US retailers and websites are handed a marketing advantage.

Let me turn now to some specific policy points that we would draw to your attention. These are mostly technical. One of the reasons I have Rachel with me here this morning is that we've got a couple of recommendations, particularly in the area of environmental issues and levies, and if there are questions from the committee, I'd call on her to respond to those.

In the specific policy area, if the government does not harmonize, we would request once again that you clear up the mess in the tax status of herbal and natural products. This can be done by using Health Canada's classification system that comes into effect next year.

We also request that the government change the tax status of bottled water to be the same as the GST in order to reduce confusion and frustration when customers buy these products.

We recommend that the government levy the tax on business software in the same way as other provinces in order to remove the current double taxation.

We recommend that the government work with other provinces to harmonize the product stewardship programs that are operated by so many provincial jurisdictions.

Finally, we remind the government that retailers must continue to be permitted to show environmental levies separately on the sales receipt.

In conclusion, as you'll see, our themes are very similar to those of the previous witnesses. It's not necessarily about lowering taxes, although we would welcome that. It's about taxing smarter and taxing in a way that ensures that companies can grow, create jobs and employ Ontarians in worthwhile positions.

Those are our opening remarks. We'd be glad to answer any questions.

The Chair (Mr. Pat Hoy): Thank you very much. This round of questioning will go to the official opposition.

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Mr. Tim Hudak: Thank you, Peter. Welcome back to the committee, by the way. Rachel, welcome as well.

The elimination of the capital tax has been something that we have pushed for some time. You mentioned that while we're seeing some changes with respect to manufacturing and resource-based sectors, other sectors of the economy were left out. How does the capital tax impact on the retail sector particularly?

Mr. Peter Woolford: Retailers have to invest in capital in order to operate their businesses, just as any other company does. For companies that are large and mid-sized, this tax takes away capital funds that they require to reinvest. We saw last year a new competitive challenge emerge in the form of cross-border shopping. Canadian retailers need to invest to improve their technology, to improve their competitiveness, to work with their supply partners in order to present better prices to consumers. That takes capital, and the capital tax bite is on them just as they're facing that challenge.

The other key point there is that the tax is profit-insensitive. So whether I'm a successful company or an unsuccessful company, those are dollars that must come off my bottom line. That's particularly challenging for retailers when they're facing a tough—

Mr. Tim Hudak: But when the federal government accelerated the elimination of the capital tax, it was across sectors.

Mr. Peter Woolford: Yes, it was.

Mr. Tim Hudak: Is Ontario now one of the remaining jurisdictions with the capital tax on areas like retail?

Mr. Peter Woolford: There are a number of other jurisdictions that still have a tax. Many of them are moving towards elimination. What we're trying to do simply is speed that process up and ensure that it covers all sectors.

Mr. Tim Hudak: You also mention levies that are charged, and you'd like to be able to show them on the sales slip that customers receive. Can you give me some examples of those types of levies that are hidden in the price?

Ms. Rachel Kagan: Sure. With regards to environmental levies, some examples of that would be in other provinces, like Alberta's electronic waste recycling program. That program is funded by industry. There are fees that are applied to each designated product, such as TVs or computers or laptops. The way that fee is managed, it often goes through the supply chain. It either

goes up or goes down, sometimes to the consumer. In Alberta, it's actually shown as a separate line item, and the consumer is educated to know that that fee is used for the responsible diversion of that product at the end of its life. So it's not a tax, it's just a fee for recycling. When the consumer understands that, there's buy-in and participation, and they feel that it really speaks to shared responsibility in terms of recycling. So that's a good example.

Mr. Tim Hudak: The growth rate of retail sales in Ontario continues to lag if you point out the rest of Canada. It's not just been in the last couple of years; it's been a number of years in a row that we've seen this. Your presentation talks about the decline in manufacturing as one of the causes for that. You say that it's located around southwestern Ontario and other areas that have had their manufacturing core shrinking. What about disposable income and the levels of taxation and utility costs? Are they also eating away at Ontario's numbers?

Mr. Peter Woolford: As far as we can tell, real disposable personal income continues to rise in Ontario, although at a slower rate than elsewhere in the country. It's driven, as you say, by some of the structural changes taking place in the economy. And certainly, some of the tax measures that were taken by the previous government have taken revenue away from citizens. We haven't seen as many tax measures in more recent years, but certainly Ontarians are paying more tax today than they were some years ago.

Mr. Tim Hudak: Do I still have time, Chair?

The Chair (Mr. Pat Hoy): About a minute.

Mr. Tim Hudak: You also talked about harmonizing the GST and the PST, and then you say, if not harmonizing the taxes exactly, at least harmonize the base. Why is that important to the retail council?

Mr. Peter Woolford: It's important to us, and I would think to many other business. It just makes the system administratively easier to operate. The case of bottled water is a classic case, where in your systems, bottled water, which is 600 millilitres or larger, is taxed one way at one level and a different way at another. If you simply harmonize those, you get rid of a lot of needless paperwork and errors which start to creep in. So both from an administration point of view and also a compliance perspective, I think it's a useful step. We feel that while it won't bring the economic benefits that harmonization would bring, at least it would reduce the cost of running two very slightly different systems. In a sense, if they were grossly different, it would almost be easier. It's when there are these little marginal changes that they're very hard, and they're very easy to make mistakes on—easy for customers, easy for sales associates and easy for tax practitioners to make those little glitches. Then when you get to audit time, the audits are longer, the cost is greater, the penalties are greater, and it gums up the works.

The Chair (Mr. Pat Hoy): We have time for a quick question and a quick answer.

Mr. Ted Arnott: Peter, you made passing reference to the issue of the taxation of herbal and natural products, and your brief indicates that the current regime is unclear and unworkable for retailers to administer. It's my understanding that you asked for some government action last year at this committee or a response to that issue and you didn't receive anything. Can you again explain to the members of the committee why this is such a big issue for your members?

Mr. Peter Woolford: This is something we've been working on for a number of years with the Ministry of Finance. If you go into a health food store or a drugstore and take two bottles of ginkgo biloba off the shelf, as a customer they look identical, but one says, "Effective against colds" and the other one says "that cold season is here." That makes one taxable and one not taxable. Or you take two and the labels are identical but inside the container there is something that makes a health claim. That changes the tax status of the product and it's extraordinarily difficult to explain that to the consumer. They believe they're getting ripped off by retailers who charge the tax. They get confused when they go to another retailer who does not know that product A should be taxed. So it just has created a really unfortunate situation.

The tax auditors at the Ministry of Revenue themselves acknowledge that this is simply not possible to administer effectively based on marketing claims. If there's a shelf talker, you know, one of those little tags—the women on the panel will understand this; the men probably have never been in a store. Sorry. They'll understand that if you go into a grocery store, you'll see a little shelf talker hanging off the shelf saying, "It's cold season. This product is good for colds." That becomes a health claim. It may not be on the product but it's on the shelf. That changes the tax status of the product. How can you manage that? It's just not possible.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO LONG TERM CARE ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Long Term Care Association to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Ms. Janet Lambert: Thank you very much. Good morning. I'm Janet Lambert. I'm the executive director of the Ontario Long Term Care Association. With me, to my left, is David Cutler, the chief executive officer of Leisureworld Caregiving Centres. David operates 19 long-term-care homes in Ontario and is president of our association. To my right is Grace Sweatman, chief executive officer of Christie Gardens Apartments and Care Inc. in Toronto. Grace is our vice-president of

government relations. Thank you for agreeing to listen to us today.

We're here on behalf of the private, not-for profit, charitable and municipal operators of 430, or 70%, of Ontario's long-term-care homes. They provide care, services and accommodation to some 50,000, or 65%, of all long-term-care residents in Ontario. The impact of the issues we will raise extends beyond them to all 75,000 long-term-care residents and their families, and the 75,000 or more staff who work in the homes. This is a constituency similar to a city the size of Windsor. In fact, our issues impact all Ontarians when you consider the relationship between the long-term-care sector and hospitals, and we'll talk more about that in a minute.

Almost a year ago to the day, Cindy Ruddy, a long-term-care-home employee, related the following during the public hearings on the government's Long-Term Care Homes Act. She said:

"About eight years ago, a colleague of mine said to me, 'You know, Cindy, we do 10 hours of work in eight, and we're expected to do it in seven and a half.' She's now retired, and I'm expecting to probably see her in a nursing home some day. I feel sorry for her, because I know how frustrated she will be when she gets in to find out that things have not changed in all those years."

The core issue in Cindy's story is funding, specifically that government funding does not allow homes to provide the level of care and services that residents need. We acknowledge that since 2001, governments have provided some funding to address overall care levels. Over that period, average daily resident care levels have gradually increased from 2.04 worked hours to 2.6. The last operating funding increase to substantively impact overall care levels was in the 2004 budget.

For the most part, however, government funding initiatives have either been to sustain existing care at levels that residents and families say are unacceptable, or they have been targeted at specific, often hot-button issues such as lifts, registered practical nurses and food. While this funding has been helpful, in the context of long-term care's reality, sustainability and targeted funding initiatives are akin to band-aid solutions. The fact is, long-term-care homes need more than a band-aid to deliver the care and services that residents and their families depend on the homes to provide.

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Let me give you some examples. Today's older, frailer long-term-care resident, who also is likely to have complex physical and medical issues and be impacted by dementia, requires an average daily care level of 3.0 worked hours or more. On average, this is 24 minutes more than homes are able to provide today. This is what families are referring to when they talk about staff being run off their feet to get residents to their meals or complain about residents having to wait to go to the bathroom. It is the significant contributor to the issues raised by the recent CBC series on resident aggression. It is one of two contributors to the Ontario Federation of Labour's concerns over incontinence care; the other contributor to the incontinence issue, which affects some

80% of residents, is the fact that government funding for incontinence products has not increased in five years.

Resident programs and activities are an issue. Homes are unable to provide the programs and activities that residents need, particularly during the evening or on weekends, with the \$7.12 per resident per day that government currently provides.

Then there's nutrition. Older, frailer residents require more consultation time with clinical dietitians to ensure that their nutritional needs are being met, particularly the need for specialized diets and varied meal textures. These increasing nutritional needs ultimately mean that homes need more time and resources to prepare meals.

Completing this issues priority list is the situation with respect to housekeeping, laundry, maintenance and related accommodation services. These services are valued by residents and their families and contribute directly to quality of care in areas such as infection control. Over the past four years these services have been eroding as, cumulatively, wage cost increases alone have outstripped funding increases by almost 7%. This gap will continue to grow.

It is clear that this situation calls for an immediate comprehensive solution, not another band-aid. In October, OLTCA presented a comprehensive solution to government's 2008 business planning allocation process; it is attached to my remarks, and today we ask for your support. Our proposal asks government to increase long-term-care funding in the 2008 budget by \$513 million to address all of the issues I've just mentioned.

The core of this solution is providing the capacity for homes to increase staffing in areas that will directly impact the issues. We estimate, based on current wage rates, that this additional funding would allow OLTCA member homes to add 4,350 new full-time-equivalent positions, or FTEs. A full 80% of these FTEs would be personal support workers, activity aides and food service workers, with the remainder being registered nursing staff.

The addition of these new FTEs would:

- put more staff on the front line to help residents get to their meals or go to the bathroom, to answer call bells and to provide the increased monitoring that will enhance resident safety;

- allow a PSW time to talk to, hold the hand of, or even hug a resident who needs and deserves the attention and care that one would expect to receive in a "home";

- provide for an additional activity aide in the home seven days a week, thereby supporting more resident programs and activities during the evening and on weekends;

- provide more food service workers to help prepare residents' meals, which, in combination with the additional 15 minutes of clinical dietitian consultation time that is also included in our funding submission, would foster both appropriate meal planning and preparation.

I would also add that it would help solidify the benefits of government's recent increase in raw food funding by ensuring that homes have the staffing for the extra time it takes to prepare meals from unprocessed

ingredients. It takes more time and effort to prepare a chicken breast than to prepare chicken nuggets.

Of course, the additional registered nursing staff would provide more time for clinical assessment and care programs.

I'd like to note that the same recruitment difficulties that exist for registered nursing staff do not exist for PSWs, activity aides and food service workers. Since 80% of our increased staffing target is comprised of these workers, and a significant number of existing PSW and registered nursing staff would move from part time to full time, we're confident that homes can add these staff and deliver the care and service benefits to residents.

In addition to increased staffing, our request also addresses two other key areas. First, additional funding for incontinence supplies, along with the extra staffing, would enable homes to increase the average number of daily incontinence changes for those residents who need them from the current 3.5 per day to approximately five. Second, additional funding is needed to stabilize housekeeping, laundry, maintenance and related services. These latter services are funded within our envelope funding system by the other accommodation envelope. This envelope is primarily funded through the resident copayment, which the province adjusts annually based on the federal OAS and guaranteed income supplement adjustment.

We're not asking for the resident copayment to be increased beyond this traditional adjustment. There is, however, a direct relationship between these services and the level of care and services that residents need. As such, government must accept a larger share of the funding responsibility to maintain the quality of these services.

At the outset I mentioned that our issues also impacted all Ontarians, including with respect to emergency room wait times. Homes now have no choice but to rely on hospital emergency rooms to help out when issues arise. Just as importantly, families and physicians at the homes are aware of the staffing pressures and are quick to insist that a resident be taken to emergency.

Additional funding for more staff and supplies will positively impact this process. More PSWs to interact with residents will improve health status monitoring. More activities and programs will enhance physical and mental stimulation. Proper diets will strengthen residents' immune systems. More registered nursing staff means enhanced clinical assessments. Good housekeeping and maintenance mean good infection control.

With homes better able to address the underlying issues, they will have less need to use the emergency room alternative. When families and physicians in the home see that homes are able to do this, they will be less insistent that that transfer take place.

I'll close my remarks by noting that OLTCA is aware of economic forecast concerns. At the same time, we remind members that our funding issue existed when the economic forecasts were positive. It's understandable that our sector would view government's willingness to

respond to the needs of 75,000 long-term-care residents and their families as one of political will rather than economic forecasts.

Let's face it: We can't escape that we are an aging society. Most of us here are aging boomers, many with aging parents. Long-term care is about the services that our parents need now and that many of us will need not too many years from now. And we're talking about the folks who helped build our society. It's up to government to ensure that there is funding for the staff and supplies required to provide these services.

Thank you very much. We'd be pleased to answer any questions you have.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the NDP and Mr. Prue.

Mr. Michael Prue: Yes, a few questions here. You talked about the increased hours. This is on page 4: "We acknowledge that since 2001 governments have provided some funding to address overall care levels. Over that period, average daily resident care levels have gradually increased from 2.04 worked hours to 2.6." Is it in fact 2.6? I was told by a government person—and I'm skeptical of this—that it's 2.89 hours.

Mr. David Cutler: I will answer that question. The government numbers are based on paid hours, which include vacation time and benefits. Our calculations are based on actual worked hours to deliver care and services, and we think that's what counts for the residents.

Mr. Michael Prue: The government in the last term promised three or three and a half hours, I believe—it was the standard that was set—that they were aiming towards three and a half hours of care. You're asking for three.

Mr. David Cutler: That's correct.

Mr. Michael Prue: How would that bring us in line with other provinces? I know that Saskatchewan is up around three and a half at this point and some of the other provinces, PEI even, have higher standards than Ontario's.

Mr. David Cutler: We would love to get to that but we realize the economic consequences that the government faces in all sectors, so we feel that getting to three would be a reasonable start.

Mr. Michael Prue: If we got to three, where would that place us vis-à-vis the other provinces in Canada—about the middle?

Mr. David Cutler: I think about the middle.

Mr. Michael Prue: All right, and at 2.6 are we at the bottom?

Mr. David Cutler: Close to the very bottom.

Mr. Michael Prue: All right.

The second thing you talked about was the level of care, that you need an extra 24 minutes to get it up to three hours worked, or more. The monies you are requesting would be sufficient to get you there.

Mr. David Cutler: That would get us—

Mr. Michael Prue: No, I'm worried that if you got additional monies, the workers will expect pay raises at

least commensurate with inflation. Has that been factored in as well?

Mr. David Cutler: That has been factored into the calculation.

Mr. Michael Prue: If there's time, it's about the whole issue of incontinence products. These are not generally available unless someone is lucky enough to have family who provide the products. Is that the case in many of the homes? They're available but they're not available in the numbers required.

Mr. David Cutler: The government does fund us \$1.20 per resident per day. So the number that we provide are about three and a half per day, whereas there are cases where you may need five. But, in order to do that, we need additional staff to have the hands who can go and do those changes.

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Mr. Michael Prue: So it's not the products themselves. I know that in many of the homes, the families bring in the incontinence products. They bring in, perhaps, better products, ones that fit better and that kind of stuff. Is that not—

Mr. David Cutler: We are short both on product and staff to help us achieve that goal. It's not that our product is inferior; we are short in dollars to buy the required supplies, but more importantly, the staff to do that. So even if you gave us the money for the supplies, we don't have the staff to be able to get around to every resident. On average, 90% of residents are incontinent. We don't have the numbers to get around and do everything that needs to be done.

The Chair (Mr. Pat Hoy): One minute.

Mr. Michael Prue: I still have a minute.

Some of the unions and the TV programs have shown that old people—those, as you rightly said, who built this society, some of whom fought for Canada in times of war—lie there in their own waste, oftentimes for hours. Would you categorize that as a direct result of not having the staff? That's something I believe should be changed immediately. Are you asking this government to spend the funds so that this doesn't occur in the future?

Mr. David Cutler: That's exactly what we are asking for. We're asking for more money to be able to provide the staff so that we can adequately address the needs of the residents who deserve that care.

Mr. Michael Prue: And to keep the promise they made four years ago, I guess.

Mr. David Cutler: There was a promise made four years ago that hasn't been fully addressed.

Mr. Michael Prue: Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

INCOME SECURITY ADVOCACY CENTRE

The Chair (Mr. Pat Hoy): I call on the Income Security Advocacy Centre to come forward, please.

Ms. Mary Marrone: Good morning.

The Chair (Mr. Pat Hoy): Good morning. You have 10 minutes for your presentation. There may be five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Ms. Mary Marrone: My name is Mary Marrone; I'm director of advocacy and legal services at the Income Security Advocacy Centre.

We're a community legal clinic funded by Legal Aid Ontario. We have a provincial mandate to improve the income security of people living in Ontario through test case litigation, policy advocacy and community organizing. We also work closely with 60 legal clinics across the province.

I want to start by saying that we're very pleased that this government and the opposition parties have brought the issue of poverty back onto the political agenda. We applaud the government's commitment to a comprehensive poverty reduction strategy. The Premier's establishment of a cabinet committee on poverty reduction and the appointment of the Honourable Deb Matthews as chair are very important first steps.

But this budget is crucial. At the Income Security Advocacy Centre we are deeply concerned that the citizens of this province who rely on social assistance not be forgotten, not in the five- or 10-year plan that we expect will emerge from the government initiative and not in this budget. We're concerned that the safety net that is supposed to catch the most vulnerable has developed so many holes and has been dropped so low that it bumps into the floor of destitution that it was supposed to protect us from.

We will be providing more detailed written submissions to you before the end of the month, but today I want to focus on two things that this budget must do. The first is to adequately fund public consultations on the poverty reduction strategy initiative. This is so people's voices and concerns can be heard. This will help ensure that the strategy is one that will address the key concerns of those whose lives it is meant to improve. It will ensure that all dimensions of living in poverty are addressed, and that it includes a reform to a social assistance system that has broken in ways that have been documented time after time. Doing this properly requires consultation and it requires money, but that money is a smart investment because a consultation process may find that there are some strategic changes that can be made that are, in fact, cost-neutral.

The second thing this budget needs to do is to provide some significant immediate relief with respect to social assistance rates and to protect all existing allowances and benefits while we develop the poverty reduction strategy, because for people on social assistance, every dollar counts. We understand that social assistance is not a popular program. We understand that previous governments have successfully stigmatized those who rely on it, but benefits have eroded to a degree that a significant increase is necessary, and it's the right thing to do.

We're not going to end poverty with this budget, but we have to lay the groundwork for the poverty reduction strategy to succeed.

When we're talking about social assistance recipients, who are we talking about? There are two programs: Ontario Works and the Ontario disability support program.

I want to talk about the disability support program first, otherwise known as the ODSP. People who rely on this program have long-term needs, and most will never be able to leave this program for full-time work. If you're on this program, your medical condition and disability have been verified to death, sometimes literally. The gate-keeping for this program is so tight—some would say dysfunctionally so—that 60 legal clinics across the province spend most of their resources successfully appealing negative decisions to get the benefits that their clients are entitled to. Government should stop spending so much money trying to keep people off ODSP who are entitled to be there; that money can be redirected to benefits and supports. It would also save the legal aid budget and the health care system the money that is wasted on often unnecessary tests and specialist reports.

ODSP rates remained unchanged from 1993 until 2003. The 7.16% increase since 2003 has not quite kept up with inflation. That means that a single person on ODSP receives an annual income of \$12,386; that's including all available tax credits. That represents 70% of the after-tax low-income poverty line. It would require a rate increase of 43% to reach the after-tax poverty line. Families with children fare a little bit better, largely because of child benefits. In contrast, seniors receive regular cost-of-living increases to their income security programs; improvement to seniors' benefits is one of the reasons national poverty rates have dropped. I would suggest that people with disabilities deserve the same treatment and respect.

What about Ontario Works? As Canada's and Ontario's social safety nets shrink, more and more people have come to rely on Ontario Works. We need reform to better support those who are able and ready to re-enter the workforce, but we also need to acknowledge that many people in this program have long-term needs that require other kinds of support.

A report produced by the Honourable Deb Matthews in 2004 outlined the diverse needs that are currently being served. We need to make it easier to move into the labour market for those who can and to make benefits adequate for those who can't.

Ontario Works currently includes people whose disabilities are so severe that they're prevented from successfully navigating the application process for ODSP, or people with disabilities that don't quite meet the threshold for ODSP but face multiple obstacles to employment and have very little prospect of returning permanently to full-time work. It includes a large number of single mothers with dependent children. It also includes women and children fleeing domestic violence. While critics of social assistance often denounce the dependency fostered by welfare, they ignore that it can provide the necessary independence from abusive spouses who threaten the safety of women and children. Those benefits need to be adequate to restore social assistance as part of the exit strategy from violence.

What do their incomes look like? These social assistance recipients saw their benefits cut by 21.7% in 1996, where they stayed until 2003. Since then we've had a small increase of 7.1% that has not kept pace with inflation. What does that mean in dollars? A single person on Ontario Works receives \$560 a month. With tax credits, that income goes to \$606 a month. That's not just below the poverty line; that's a fraction of the poverty line. It's 44% of the after-tax poverty line.

In dollars, it means that the \$560 that's supposed to cover shelter and basic needs doesn't even cover rent. The average for a bachelor apartment in Ontario is \$665. If that single person makes a sensible decision to share because they can't afford the bachelor apartment, then their rates are reduced even further.

What about families? A single parent with two children receives \$1,166 a month. With current tax credits and federal and provincial child benefits, that amount doubles, but it still remains only 76% of the poverty line. This government must show good faith in its intention to reduce poverty in this province by bringing in an immediate double-digit increase to OW and ODSP as a down payment towards future improvements, and it must index those rates so that low-income people don't fall any further behind.

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The next issue I want to address is the Ontario child benefit. This is a very important new program that we supported when it was introduced with last year's budget. It's a step forward, in that it recognizes that low-wage working families also need support in raising their children. It matters to social assistance recipients because it will be a benefit that stays with them if they're able to enter the workforce. The monthly cheques begin to roll out this July, but they're only going to roll out gradually, and they're not going to reach the maximum benefit of \$92 a month per child until 2011. But at the same time, social assistance will be restructured. Beginning in July or August 2008, just after receiving their first OCB cheque, parents on social assistance will see their rates reduced in response to the OCB. This fall they will not receive their back-to-school and winter clothing allowance that they rely on for clothing and back-to-school supplies. Because of this reduction, by 2011, improvement for families on social assistance will only be \$50, not the \$92 provided by the OCB. Parents on social assistance should receive the same net benefit for their children as working parents—\$92 a month per child—without having their assistance cheques reduced.

Low-income families should not have to wait until 2011. Implementation of this benefit should be accelerated. And the winter clothing allowance and the back-to-school allowance needs to be reversed. Low-income families need that money.

As we head into an era that we hope is new in the way of positive steps towards a reduction of poverty in this province, let's be very careful that we don't cut any allowance, benefit or program, no matter how small, until people on social assistance receive benefits that have actually lifted them out of poverty.

The Chair (Mr. Pat Hoy): Thank you. Now we move to the government.

Mr. Wayne Arthurs: Mary, thank you very much for your presentation this morning and for being so precise in some of the recommendations that you're making for the consideration of government and of this committee as it does its work.

We're fortunate that appointed to our committee is the parliamentary assistant to Minister Deb Matthews. I think it's a recognition as well, as we go through this process, that we need to ensure that she has direct feedback on some of the issues that we're going to be hearing about at various locations. So I'm very pleased to have the parliamentary assistant join us on this committee. She'll certainly be taking some of these comments directly back to the minister to make sure she hears them face to face, as well as the presentation. As well, we look forward to the written presentation, which will help all of us in our deliberations.

Certainly, we've made some progress, both directly and in policy, over the past four years—clearly not as much as many or all of us would like to see in that regard, but some considerable progress, I think. The Premier's establishment of a cabinet committee on poverty is an important step in that regard to keep it in front of the key decision-makers at the end of the day, in the context of policy development.

I'd like to hear a little bit more, though, in a more generic way, on the public consultation process as you might envision it, since that's where you started your presentation, and about how important that's going to be. I'd like to hear some of the things you would like to see happening in that public consultation process to ensure that the Legislature and government is getting all the effective information they will require in their decision-making on a go-forward basis.

Ms. Mary Marrone: We assume, and we've heard, that you will be consulting with policy experts in this area, and we think that's very important, but we also think it's very important that you speak to low-income people themselves. This means going out into communities. It means travelling around the province to accessible locations and making it easy for low-income people to come and speak to you. Their day-to-day experiences should be what inform the development of a poverty reduction strategy.

A number of studies have said that the two things that people on social assistance talk about the most are the inadequate rates and the poor treatment they receive at the hands of their caseworkers. Much can be done to improve their lives through changing some of the rules. Some of the worst rules were taken away in your first term of government, but many punitive rules continue to exist. There are a number of changes that could change the lives of people that don't necessarily cost any money, but it's in the detail, it's in the richness of the experience, that you're going to hear about that.

Mr. Wayne Arthurs: So you'd be recommending that in addition to talking to experts in the area, which is

obviously an important part of everything that happens, the government ensure that we talk as directly as possible to those who are either accessing those resources currently, who might at some point need to access those resources or know others who are accessing these resources, to ensure that we're getting the best information possible for decision-making.

Ms. Mary Marrone: Absolutely.

Mr. Wayne Arthurs: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation. If you provide any further written information, the whole committee will share in that.

Ms. Mary Marrone: Thank you very much.

The Chair (Mr. Pat Hoy): Present it to the clerk, or mail it, or however.

CANADIAN BANKERS ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call upon the Canadian Bankers Association to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I'd ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Luc Vanneste: Good morning. My name is Luc Vanneste and I'm the executive vice-president and chief financial officer of the Bank of Nova Scotia. I am also the chair of the Canadian Bankers Association financial affairs committee, and it is in that capacity that I am appearing before you today. Also joining me is Karen Michell, vice-president, banking operations, at the CBA.

Thank you for the opportunity to talk to you about the CBA's recommendations for the 2008 Ontario budget. Our industry's recommendations for the upcoming budget focus on the need to promote greater economic prosperity in Ontario. We believe that one of the most effective means by which to do this is through creating a more competitive tax environment.

Banking is a core element of the Ontario economy and one of the largest contributors to provincial GDP. Banking and financial services is a growth sector for Ontario. In the recent speech from the throne, the Ontario government highlighted that financial services is a sector experiencing growth that far outpaces that of our closest competitors.

Banks are one of the largest employers in the province. In total, the banking industry employs nearly 140,000 Ontarians. Ontario accounts for over half—approximately 56%—of all banking industry employment in Canada. The banks' contribution to the Ontario economy is much more than our physical presence. Banks are the key source for financing for businesses and entrepreneurs across the province. Also, it is important to remember that banks are widely held businesses, with individuals being investors in banks through CPP, through their RRSP and other pension funds. When banks do well, Ontarians do well.

Ontario is Canada's banking capital, and it shows. This slide shows that the contribution of deposit-taking

intermediaries—banks, credit unions etc.—to Ontario's GDP is 4.3%. This is the highest in the country.

The importance of financial services to Ontario's trade balance with the rest of Canada is growing. In 1997, financial services accounted for just over a quarter of Ontario's net trade surplus with the rest of Canada. By 2004, it accounted for 40%. Why is this important? More and more, financial services are what Ontario sells to other Canadians and increasingly it is what Ontario sells to other countries, and that is how we create highly skilled, high-paying jobs for Ontarians.

As I mentioned earlier, our 2008 budget recommendations focus on the need to create a more competitive tax environment in Ontario. Taxes, meaning corporate income taxes and capital taxes in particular, are critical decision-making factors for potential investors, including those in our industry. Tax competitiveness is a key factor in productivity growth. A more competitive tax environment spurs investment, which improves productivity and creates jobs.

The CBA's first recommendation is that the government should reduce the general corporate income tax rate to make it competitive with other key jurisdictions in Canada. In looking at this slide, you will see that the general corporate income tax rate of 14% undermines Ontario's competitiveness against its key provincial counterparts. It's also a key component in the marginal effective tax rate on capital, which influences the decision of firms, investors and entrepreneurs about whether to make a new investment here in Ontario. Comparing to other provinces actually understates the tax challenge that Ontario faces because Canada's overall business tax environment has a long way to go to be competitive with other developed countries. In short, Ontario lags Canada and Canada lags its competitors. While there have been very positive moves at both the federal and provincial levels, there is still considerable room for improvement.

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The next slide, which is slide 10, shows the percentage GDP growth over the last five years and illustrates why Ontario needs to lower corporate income tax rates if it wants to increase investment and employment and stimulate long-term growth. Quite simply, tax is a factor when making an investment decision. Although cutting taxes often leads to fears about decreased government revenues and decreased services, as someone helping to make investment decisions, I can tell you that the opposite is true. Creating a more competitive tax environment by which to increase revenues means attracting, growing and retaining investment in the province. This helps to pay for the government programs that the people of Ontario need, value and deserve.

Making Ontario's corporate income tax rate competitive should be the key principle guiding Ontario's tax policy. The government has opted to phase in reductions in the federal corporate income tax rate over several years, and we encourage Ontario to do the same. Even if there were an announcement that this would be done

within the next two to three years, it would have a positive impact on current business planning.

Capital tax is also a barrier to investment and growth, as you heard earlier. Economists and businesses across the country are universal in their view that capital taxes are the most inefficient form of taxation. The Ontario government has recognized this and has legislated the elimination of the capital tax. We were particularly pleased to see the acceleration of the rate reductions and we certainly encourage the government to continue to accelerate the elimination of the capital tax as much as possible.

In summary, the financial services industry plays a large and strategic role in Ontario's economy. However, both national and international jurisdictions offer highly competitive tax environments with many of the same natural advantages that Ontario enjoys. For that reason, Ontario cannot be complacent. The results of a competitive tax regime are widely known: higher productivity, a higher standard of living and greater revenue for governments—revenue to support health care, education and infrastructure investments that are vital to our standard of living.

Therefore, we recommend that Ontario set as a strategic economic goal achieving a 10% corporate income tax rate by 2012. In supporting that goal, we recommend further accelerating the capital tax phase-out before 2010.

Thank you, and I would be pleased to answer any questions you may have.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Ted Arnott: Thank you very much for your presentation. I found it interesting that you would feel compelled to inform the committee that the levels of tax and tax competitiveness are in fact big considerations for companies when they're considering investment decisions. Those of us who are sitting here from the Conservative caucus understand that. I hope that the other members of the committee understand that as well going forward. It's absolutely critical to our future economic success in this province.

You mentioned the issue of capital tax and you've called upon the committee to encourage expediting the elimination of the capital tax. Again, that's something that we've pushed for within our caucus in opposition, as well as the other issue that you mentioned about tax. I'd like you to expand on it, if you will, so as to give us some additional advice in that regard.

Mr. Luc Vanneste: Capital tax is effectively a tax on investment. For the banking industry—and let me clarify here. I'm not just talking about banking here, I'm talking about a corporate tax rate for all Ontario corporations. Some have a lower tax rate than others, but this is not just about the banking industry. This is about the economic prosperity of Ontario and, indeed, the country as a whole. Capital tax taxes capital. It has a greater impact on banks than it does on other institutions. We are a regulated institution. We are required to carry certain amounts of

capital, according to the superintendent of financial institutions Canada in our particular case. When we have the turbulence that we currently have in the world markets, that becomes an even greater focus area for the regulator, and moral suasion comes into play in terms of what the levels of that capital should be. If that capital—which is great for the comfort of investors and people doing business—grows, there's a greater tax, which is a greater cost that needs to effectively get passed on to consumers, whether those consumers are retail consumers, corporate consumers, commercial, small business, whatever. It is a cost of doing business, and it seems counterintuitive. Why would we tax capital when indeed, from my perspective, the real challenge here is to grow the size of the prize, to grow the tax prize? Encourage investment, and that will create the economic environment where you are investing in Ontario, you're creating jobs, you're improving productivity, and the entire pie increases, which then enables the province to do what it wants to, from a spending perspective, to eliminate or decrease deficits. The real focus here is to increase the size of the pie, not to say, "Let's do one thing versus the other." The prosperity will drive that size of the prize.

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: Thank you, Chair, and thanks to my colleague Mr. Arnott.

Would you know off the top of your heads the proportion of capital tax that is outside of the manufacturing and resource sectors in Ontario? If you don't know, maybe I'll ask that through the clerk, Chair, at the conclusion.

Mr. Luc Vanneste: We certainly can get that information, but I'm sorry; I don't have it here.

Mr. Tim Hudak: No problem. It would be helpful.

Then again, as you know, the original schedule for capital tax elimination under the previous government was 2008. The current government increased those tax rates, and now we're on, I think, the third or fourth schedule within their mandate. They're accelerating now, finally, for resource and manufacturing, but not for other sectors like financial services.

The other point you bring up in your presentation is reducing the overall corporate income tax rate to make Ontario more competitive. You point out that in 2002 we had the third most competitive tax regime with respect to business taxes, or second best, I think it was, and now—

Mr. Luc Vanneste: Second best, yes.

Mr. Tim Hudak: —we're third worst in all of Canada. The current government has argued, though, that they don't think they should reduce the corporate rate provincially until the federal government brings theirs down to the provincial rate of 14%. Do you find logic in that argument?

Mr. Luc Vanneste: Certainly, in my role with the CBA, I'm consistent in my message in terms of reducing corporate income tax rates at both the federal and the provincial levels. I certainly hope that at both levels we are heard, listened to, and action is taken, but I would not encourage the Ontario government to say, "Well, let's

not do this until we see what the federal government does," because at the end of the day, if one party does it versus the other, it still impacts the investment decisions that we make. So if you take a look at corporations in Ontario who have the ability to invest in different places in the world, if the tax rate is higher in Ontario than it is in other provinces, or outside of this country, that is a factor. I think the ideal situation is for both of them to move in the same direction—i.e., down. It doesn't necessarily have to be in tandem, but the overall tax rate should be decreased for corporations, because when you're making those investment decisions, the reality is, whether you're a financial institution, whether you're an auto manufacturer or whether you're a small business that's in the exporting game, you're going to look at the tax rate. You cannot avoid it.

The Chair (Mr. Pat Hoy): Thank you. I understand you're committing to find the information that Mr. Hudak asked for.

Mr. Luc Vanneste: That's correct.

The Chair (Mr. Pat Hoy): If you could provide it to the clerk, and then the whole committee would have that. Thank you for your presentation.

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MYCHOICE.CA

The Chair (Mr. Pat Hoy): I call on mychoice.ca to come forward, please. Good morning. You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Arminda Mota: Good morning. My name is Arminda Mota and I am here today as president of mychoice.ca.

Mychoice.ca is Canada's largest smokers' rights group, with 45,000 members, 25,000 of whom are from Ontario. As you may know, we are able to operate thanks to funding from Imperial Tobacco Canada.

Despite the enormous taxes we pay, smokers are not eligible for any of the funding that governments give to anti-smoking groups to address tobacco control issues. Indeed, we are not even permitted to attend government tobacco-control conferences, nor are we allowed on the advisory panels that propose how we should be treated and what might or might not work for those who wish to quit or cut down their smoking. We therefore have to rely on funding from industry. We are not alone in this regard. The anti-tobacco groups get funding from the pharmaceutical industry over and above the government funding they receive courtesy of smokers' tax dollars. The pharmaceutical companies that sell nicotine replacement and cessation products are in direct conflict of interest, yet no one questions who they fund and why. For example, Pfizer funds tobacco control conferences. Anti-smoking advocates often speak out in defence of Pfizer products. Recent examples include their defence of a new quit-smoking drug that has been linked to depression and suicides.

In our case, however, the funding from Imperial Tobacco Canada comes with no strings attached. The company is not a member of mychoice.ca. We do not speak on its behalf and we do not represent its interests or seek its approval for any issues we raise. We are an arm's-length, registered non-profit group. Our members are all individual people. The issues we raise are the ones that concern them directly because they impact their daily lives.

The first issue I am compelled to raise today is that of taxes. Taxes make up 70% of the average cost of cigarettes, and are now higher in real terms than they were in 1993, when the federal and Ontario governments slashed them.

Smuggling rates are at epidemic proportions again. Police and anti-smoking groups agree that illicit products now account for 25% to 30% of tobacco consumption in Ontario. I have with me dozens of stories on this problem that we have collected over the past year. It is not an exhaustive list, but you may find it of interest. Police say that the many arrests they have made have barely created a dent in the problem.

Mychoice.ca does not condone buying illegal products. We share the concerns of others about the contents of these products, their sale to children and youth, and the organized crime that benefits from this black market demand. We do, however, understand why so many people still see this as a victimless crime and feel justified in buying these products. History shows this is what happens when governments overtax people and treat them as second-class citizens with extreme laws.

We were pleased that after hiking taxes four times in three years, the Ontario government refrained from doing so again in the 2007 budget. We urge the same restraint to be shown by the finance minister in this year's Ontario budget.

The next point I would like to address is the economic impacts of the Smoke-Free Ontario Act's more extreme measures. On behalf of our members and others who are tired of being dismissed for raising genuine concerns, I would urge this committee to review the impacts of this ban. I would urge you to seek a report by an impartial third party not associated with the government, the anti-smoking groups, the tobacco industry or the pharmaceutical industry.

When this committee studied Bill 164 before recommending its passage into law, it was treated with the same contempt as the public in terms of being denied all the facts. This committee and the Legislature as a whole were deliberately misled by the government, its ministers and anti-smoking groups. We were all told that there was no evidence of real problems in other jurisdictions that have implemented such bans and that, if anything, economies improved when such bans were introduced. What we were not told was that the government possessed a number of expert reports from the Ministry of Economic Development and Trade that warned of losses of \$500 million a year to the province's gaming revenues alone. The reports detailed gaming losses of \$186 million in

2004 that have already resulted from new smoking bans in municipal jurisdictions in Ontario. They warned that there would be particularly devastating impacts for casino border cities such as Windsor and Niagara Falls if a province-wide ban was implemented, and they warned of negative impacts for charities. The reports also detailed how studies designed to show positive impacts from smoking bans in other jurisdictions had biased the results to hide impacts on bars and taverns, yet these reports were kept secret until several months after the Smoke-Free Ontario Act became law, despite the fact that mychoice.ca submitted freedom-of-information requests for any such documents way back when the legislation was first introduced.

In light of this, there is little reason for mychoice.ca or the public to accept at face value any statements made by the government or anti-smoking lobby groups about this issue. There is little reason why this committee should either. The attitude of the law's proponents was, "Don't worry, it's only smokers. The rest of the economy is doing well. It will all work out." The reality has been quite different. Everybody in some way is suffering the consequences of a law that removes all choice for those who wish to use a legal product or provide some compromise on where it can be consumed.

In addition to the loss of hundreds of millions of dollars in gaming revenues, taxes have been lost as businesses closed or downsized. Tens of millions of revenue dollars have been lost by charities. The losses to provincial casinos have been so devastating that the government has broken its own rules: It has spent millions of dollars to build state-of-the-art heated smoking shelters adjacent to its casinos in a bid to keep at least some smokers coming back. Yet struggling bar owners that try to put up even cheap shelters are charged and fined for trying to survive.

The Canadian Restaurant and Foodservices Association reported last year that for bars, taverns and nightclubs, sales were down 24%, or \$182 million, since smoking bans started coming into force in Ontario in 2001, and 18% of establishments had closed. It reported last January that sales were down 8%, or \$21 million, in the first five months of the province-wide ban coming into force in June 2006. Meanwhile, charity bingos have been devastated. In Windsor alone, dozens of charities have folded or are on the verge of collapse in the wake of bingo hall closures and cutbacks. The significance of these losses on the economy, jobs and charity services can no longer be denied. They are now being compounded by the negative impacts of the strong dollar on manufacturing and tourism in this province.

The law is now being used to seek bans on smoking in cars, with a view to eventually seeing such a ban extended to private homes. We could get into a whole debate here about the need for such laws to protect children. Obesity is now the biggest health threat facing our children, so are we next to pass laws against parents feeding their children fattening foods? How about having police set up roadblocks at fast-food drive-throughs and conduct home refrigerator spot checks?

As for the health issues, let me stress that we believe an independent review of the impacts of the Smoke-Free Ontario Act absolutely should include an inquiry into the evidence being used to justify existing bans and new proposals. A few years ago, the anti-tobacco lobby group focused on evidence of the dangers of smoking itself, and some possible links to health risks associated with long-term, intensive exposure to high quantities of second-hand smoke. Now they claim that even a moment's exposure to smoke on an occasional basis can be deadly. They have traded science and facts for emotional claims and fearmongering to drum up support for extreme laws that would never otherwise be contemplated, measures such as total outdoor bans, bans in cars and bans in homes. Their arguments, however, defy logic and science.

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For your interest, I have provided copies of two recent reports. The first is by a leading activist for smoking bans in the United States, Dr. Michael Siegel, who has become so alarmed at the false science and claims now being made that he has carefully dissected the allegations and demonstrated their inaccuracies. The second is by a leader in the field of tobacco control and harm reduction, Professor Brad Rodu, who has been extensively published in such prestigious journals as the *Lancet*. This article looks at the science, or lack of it, used to produce smoking death statistics and questions why the claimed rates remain barely unchanged over the past 20 years despite an enormous reduction in smoking rates.

I am not for a moment suggesting that we turn back the clock and allow smoking everywhere. The point is that we have gone beyond science and reason and are now allowing increasingly wild and unsubstantiated claims to be used to justify extreme, unfair laws and the mistreatment of smokers.

Thank you for allowing me to appear here today. I'll be able to take your questions.

The Chair (Mr. Pat Hoy): This round of questioning goes to the NDP.

Mr. Michael Prue: The questions I have relate in total to the last two reports that you said were attached but were not. They're coming, are they?

Ms. Arminda Mota: Yes, they are.

Mr. Michael Prue: Okay. And then the statement here at the top of page 3: "The government possessed a number of expert reports from the Ministry of Economic Development and Trade." Do you have those reports?

Mr. Sean Durkan: We don't have them with us, but I can send them. They were released under freedom of information. There were a number of stories on them when they were, but we can forward those to the committee. These are reports released by the government, eventually, under freedom of information.

Mr. Michael Prue: The only thing that it appears to me, other than you're very angry with the government and very angry at the—

Ms. Arminda Mota: I'm passionate. That's totally different.

Mr. Michael Prue: Okay. The only thing you appear to be asking for in this report is that the government not increase the taxes on cigarettes in this budget year. Would that be fair, that that's your major ask?

Ms. Arminda Mota: No. Our main request, besides the one not to raise taxes again this year—because, as you all know, smuggling rates are at the highest ever, 25% to 30%. What we are asking for is an independent inquiry, not done by government or by the tobacco industry or by anti-smoking lobby groups or by the pharmaceutical industry, that will take a look at how this legislation came to life—what kind of science was used to pass the legislation and what all the facts are about the economic losses that were predicted before and that happened since the ban came into effect. But basically, our main request is to ask for an independent inquiry so that we know all the truth.

We need to assess how we treat smokers in this province. Are we still full citizens or are we just second-class citizens? If the government wants to continue to mistreat smokers, as they are doing so far—the rules that are good for the casinos should be good for everybody else. Why is the government breaking its own rules and allowing those luxury shelters when a businessman in any other place can't do anything? We're just asking the government to be fair. If you guys don't want to have any smokers in the province, please ban tobacco.

Mr. Michael Prue: When you ask for an independent inquiry, the only type of independent inquiry of which I am aware that is at arm's length from the government would be a royal commission. Are you asking that the government set up a royal commission to investigate itself?

Mr. Sean Durkan: Can I jump in on this? The committee can review economic impacts and the results of economic actions that have been taken by the government. I think maybe the use of "inquiry"—change the word to "review." You do have the power to have experts called to look at the issues. I don't think we're calling for a royal inquiry that's going to cost hundreds of millions of dollars to do. I think what we are calling for is that this committee do its job and actually look at what the economic impacts have been, look at what it was told and misled about, and look at whether the laws are now justified or whether they need to be amended somewhat to take into account the impacts that are now taking place. I'm not sure that requires a royal inquiry. I would have thought it would fall under the jurisdiction of the committee to review actions that have been resulting from the moves by government, budgetary and otherwise.

Mr. Michael Prue: But the committee itself can only do so with the concurrence of the Legislature, which is stacked by the government members. See, what you're doing is you're asking the government members to investigate themselves.

Ms. Arminda Mota: No. That's why we're asking for an independent review. The government can mandate an outside resource that would be completely independent to do so, and I'm sure there would be a way to do it, if there is a willingness.

Mr. Michael Prue: Thank you, Mr. Chair.

Ms. Arminda Mota: If I might just add, as you may well know, people can't smoke in retirement homes, for instance. If you have a citizen from Ontario who has been smoking for the past 50 years and he is now 84, you're forcing him outside with this weather to smoke while you know there are already dead people. I would like all of you to think about that before you go to sleep, because when this kind of legislation that doesn't respect people at all—we don't encourage anybody to smoke; that's beside the point. We are taxpayers, we are full citizens, and we deserve to be treated as such, because democracy is not the dictatorship of the majority as far as I know.

The Chair (Mr. Pat Hoy): If the gentleman with you could identify himself.

Mr. Sean Durkan: I'm sorry. My name is Sean Durkan and I'm the assistant to Ms. Mota.

The Chair (Mr. Pat Hoy): Our recording needed that. Thank you.

CAMPAIGN 2000

The Chair (Mr. Pat Hoy): I call on Campaign 2000 to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Michael Prue: Mr Chair, I have been handed copies of some of the documents. I'd ask if I could give them to you and have them distributed.

The Chair (Mr. Pat Hoy): Oh, the clerk will do that.

Ms. Jacquie Maund: Good morning, everyone. My name is Jacquie Maund and I'm the coordinator with Ontario Campaign 2000, based at the Family Service Association of Toronto. I am joined by a parent spokesperson with Campaign 2000, Renée, who is an expert in terms of raising a family on low income. Renée would prefer not to use her last name to protect the privacy of her family.

We're here today to talk about child and family poverty in Ontario. The latest Statistics Canada data find that one in every eight children in Ontario is living below the poverty line. That's 345,000 children, a poverty rate after tax of 12.6%. Many families in Ontario are living in deep poverty. An indicator of that is the fact that, according to the Ontario Association of Food Banks, 123,600 children on average used a food bank each month last year. Campaign 2000's research shows that the two key reasons behind Ontario's high rate of child and family poverty are a weak social safety net, and low wages and poor working conditions in the labour market.

Our name, of course, dates from the 1989 resolution to end child poverty by the year 2000, so we've been studying this for a number of years.

If we look at social assistance rates in Ontario, they're seriously inadequate. A single mother with one child on social assistance in a large city receives benefits that are \$9,000 below the poverty line. Low wages and poor working conditions mean that social assistance poverty is

often replaced by labour market poverty when a person is able to move into the labour market and get a job. Our research, based on Stats Canada data, shows that almost half—41%—of all low-income children in Ontario live in families where at least one parent is working full-time, full-year, but unable to earn enough to lift their family above the poverty line.

Campaign 2000 was very encouraged at the last provincial budget to see the focus on child poverty and the introduction of an Ontario child benefit. We're also very pleased that the Ontario government has committed to develop a poverty reduction strategy for Ontario, with targets, and will release that strategy before October of this year. In fact, I've also given you copies of a document that Campaign 2000 produced last summer where we outlined some targets for that strategy and some components that, based on our research, we feel the strategy should include.

We know from international evidence that the economic benefits to investing in poverty reduction are great. Countries like Finland, Sweden and Denmark have the lowest rates of child poverty in the world. They have high rates of public investment and they rank among the five most consistently competitive economies globally.

The 2008 budget is an opportunity for the McGuinty government to make a down payment on its promise on poverty reduction, so we are calling for recommendations in three areas. I'll talk a little bit about the labour market, and then Renée will talk about the social safety net and other family supports.

Campaign 2000 is calling for an increase in the minimum wage to \$10.25 now—not in 2010, but now. We want that wage to be indexed permanently to inflation so that it increases with the cost of living, because we believe that any adult or parent who's working full-time, full-year at minimum wage deserves a living standard out of poverty, which is not currently the case.

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We're also calling for an updating of the Employment Standards Act to protect people in precarious work. Right now, people who are working contract work, temporary work or are self-employed are not covered by the Employment Standards Act. We're calling for the Ministry of Labour to fully enforce the law to make all employers follow minimum employment standards in all workplaces; specifically, to hire 100 new officers to increase inspections for employment standards violations and ensure that employers who break the law are caught and fined.

Thirdly, we're calling on the Ontario government to develop a good jobs strategy for Ontario to both preserve manufacturing jobs and support the kind of good jobs at living wages that are needed if poverty reduction is to become a reality.

I turn it over now to Renée.

Renée: Good morning. My name is Renée, and I am a current recipient of the Ontario disability support program. I have three hidden disabilities which sometimes

hinder my ability to work full-time in the market, but I am able to work part-time here and there. When that opportunity strikes, I do take it. I have two children and I'm on my own, so I could tell you a few things or two about living on these low, inadequate social assistance rates.

The first thing we need to do is to strengthen our social safety net. We need to permanently index social assistance rates to inflation and increase the level of benefits by a double digit in 2008. As part of our poverty reduction strategy, social assistance rates must be indexed as the federal benefits are indexed. Provinces like Quebec and Newfoundland and Labrador have done this.

Secondly, we need to establish an independent committee to determine the just rationale and criteria by which social assistance rates are set, with the goal of ensuring a decent standard of living. Rates should provide for the cost of the nutritional food basket as determined by health authorities, and shelter allowances should reflect the local rents as defined by CMHC.

We also need to speed up the implementation of the new Ontario child benefit. In 2008, the net benefit for a parent with one child will only be \$30. We would also like to encourage investment in family supports such as early learning opportunities and child care in the non-profit sector. Having child care and subsidized housing has helped me to be able to go and work when I'm healthy enough to do that.

We're also calling for reinvestment in social housing; rehabilitation of the aging housing stock; for municipalities to get help in rehabilitating the housing stock; for the provincial government to take back responsibility for taking care of public housing; and for housing allowances to allow low- and middle-income earners to afford the high cost of shelter.

I'm ready to take any questions.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to Mr. Arthurs.

Mr. Wayne Arthurs: Both Jacque and Renée, thank you for being here this morning. I appreciate this. I appreciated your earlier comments about the encouragement that you're finding, if I can phrase it that way, in some of the initiatives the government has been taking and what the proposals are to go forward. I know that Minister Matthews is both working but also looking forward to her opportunities, as the chair of the cabinet committee on poverty, to see some real progress. Clearly, the Premier is committed to getting the targets in place as early as possible and then seeing the implementation of those. But that doesn't mean that nothing has happened or that nothing should happen in the interim.

There are some areas that are of interest: Certainly the Ontario child benefit is intended not only to provide support for those who find themselves on either disability or Ontario Works payments but also for lower-income families generally, to provide a more level playing field for children generally, which I think is an important part of what we're doing.

I was interested, Jacquie, in a couple of your comments in a more general way, and I'd like to hear a little more about updating the employment standards protection. We talk a lot at this committee at times about community and social services responsibilities and others, but sometimes we don't really get to address around this table as often some of the other ministries that can play an important role in ensuring that people maintain adequate work or don't run risk in work that will interfere with their capacity to have gainful employment. Can you provide a little more insight on proposals around updating employment standards as they relate to precarious work environments?

Ms. Jacquie Maund: Sure. Research shows that 37% of all jobs now in Canada are considered precarious, so they're either part-time, contract, temporary or self-employed. And while part-time workers are covered by the provincial Employment Standards Act, those other types of workers are not covered. They have no recourse if their wages are unpaid, if they're not paid for statutory holidays. They have no protection under provincial labour legislation. There are detailed reports on this prepared by the Workers' Action Centre that I can give you. So we're calling for the Employment Standards Act to catch up to the changes that have happened in the labour market over the past 25 years; it needs to be updated. It's not a quick, one-off kind of thing; it needs to be reviewed and updated so the precarious workers have access to the same labour protections as do those of us who are full-time, permanent workers.

Mr. Wayne Arthurs: Are you making efforts as well to ensure that this information, these needs are in front of the Minister of Labour, the ministry directly, as well as through this kind of a process?

Ms. Jacquie Maund: Yes. We're a coalition, so many of our partners are also meeting with the Ministry of Labour, and we would hope that as members of the Liberal caucus you too would be bringing this information up with the Minister of Labour, who I believe is not on the poverty reduction cabinet committee.

Mr. Wayne Arthurs: Right. It's a good opportunity, as the new Minister of Labour and a new minister, to get his ear early on for these types of things. It's not often where you're almost first in line to get someone's ear in the sense that that becomes a priority, more so maybe, than some other things that might be there.

Thank you very much for your presentation this morning.

The Chair (Mr. Pat Hoy): Thank you both.

COUNCIL OF ACADEMIC HOSPITALS OF ONTARIO

The Chair (Mr. Pat Hoy): I call on the Council of Academic Hospitals of Ontario to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Joseph Mapa: Thank you very much and good morning, everyone. My name is Joseph Mapa. I'm president and CEO of Mount Sinai Hospital here in Toronto. Today I'm here in my capacity as chair of the Council of Academic Hospitals of Ontario; the acronym is CAHO. Joining me are my colleagues Mary Jo Haddad, president and CEO of the Hospital for Sick Children and chair of the Toronto Academic Health Sciences Network, and to my left Mary Catherine Lindberg, the executive director of CAHO.

For those of you who may not be familiar with our organization, CAHO provides a focal point for strategic initiatives on behalf of our members. Our membership includes the 25 academic hospitals in the province that are fully affiliated with a university medical or health sciences faculty.

Academic hospitals are large and complex organizations. We provide a broad and multi-faceted set of services. Patients from all corners of the province are sent to our hospitals to receive highly specialized care normally not available in their local communities.

Fulfilling our responsibilities demands significant financial and staff resources. Notwithstanding the current level of investment made to our hospitals, our cost pressures are growing.

Academic hospitals are leaders in Ontario's health care system in terms of the concentration of medical specialists and the availability of specialized care and technologies. Our hospitals are the only facilities in the province that offer training in specialty areas; for example, neonatal intensive care, neurotrauma, transplants. Training programs conducted within our organizations accommodate students from all health care related disciplines at the college, undergraduate, graduate and post-graduate levels. We train the future doctors of Ontario. We also have 19 internationally known research institutes that have become multidisciplinary research and development engines for Ontario.

Recent changes in the health care sector have presented new challenges to academic hospitals in terms of their unique and multi-dimensional role and value. We welcome the opportunity to work through these changes and complexities in the future.

In the brief time allotted, we will be addressing the following three objectives:

(1) to clarify some of the questions about our changing role,

(2) to enhance awareness of the value of our organizations to the health care system and to the provincial economy overall, and

(3) to table some of the current challenges confronting our organizations.

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Our changing role: Academic hospitals have long been recognized for discharging three primary responsibilities:

(1) the provision of highly specialized, sophisticated tertiary and quaternary clinical services. We are the go-to hospitals for the very sick and injured;

(2) the education and training of future physicians and many other health care professionals such as nurses, social workers and OTs. With few exceptions, virtually every physician in this province has been trained in one of our hospitals; and

(3) the conduct of health research, including basic, clinical and applied research. Our hospitals and their research institutes conduct more than 80% of all research in Ontario.

This three-pronged mandate results in a complex set of local, regional, provincial and, in some cases, national and international working relationships that connect us to other academic hospitals, community hospitals, universities, specialized health networks and several provincial ministries that support the various aspects of the academic hospital mandate.

Our value: Apart from understanding the complexity of our traditional three roles, it is important to understand that the roles being played by academic hospitals are changing. These changes are impacting our costs. They're also, however, generating new opportunities and value across the health care system enterprise. This value rests in the critical role we play in supporting the rest of the system through, for example, innovation in clinical systems delivery and leadership in health human resource planning and education.

There are four key points to be emphasized here. First, our hospitals are experiencing a marked shift in the complexity of our patient caseloads, as you can imagine. An increasing proportion of our caseload is focused on the care of patients from across the province and, in some cases, the country, requiring highly specialized and complex care. For many patients, we are the place of last resort.

Our caseload data show an increasing level of patient acuity. The increase in patient acuity is attributed to a number of factors, including, as you would imagine, the aging population, changes in the treatment of chronic diseases, and the realignment of hospital services within the province.

Second, our hospitals are among the first to employ breakthrough therapies, technologies and other advances in medicine. We also play a key role in facilitating the knowledge transfer of these new innovations to other organizations along the care continuum. Pressures to apply new modes of treatment contribute to advancements in patient safety and make medical care better and safer for our patients. However, these applications are also very costly. In fact, in some cases, the growing influx of emerging new medications and other forms of treatment that are now available to care for certain patient groups threaten to overwhelm the capacity of our hospital staff to keep up to date and to conduct critical reviews of new medications and treatment modalities.

Third, the size and scope of activities that our hospitals engage in are significant drivers of economic growth. For example, academic hospitals play a key role in stimulating a robust life sciences sector in Ontario,

generating new innovations in health care and providing quality jobs for Ontarians.

Our institutions also employ over half of all hospital staff in the province. We train more than 80% of medical trainees, 90% of residents and 99% of clinical fellows in all subspecialties.

The economic impact of our research mandate is also a significant economic driver. Nearly half of Ontario's academic hospitals have established commercialization offices that transform medical discoveries into jobs and new opportunities which in turn generate more jobs.

According to a recent survey, more than 50 new and successful companies have been created as spinoffs from academic hospital research. A number of academic hospitals hold several patents for world-class discoveries, and some are even licensing their discoveries. The Hospital for Sick Children alone, for example, has 24 such licences.

Fourth, academic hospitals are leaders in advancing health system reform, contributing to innovations in key areas, including patient safety, improved access to care and operational efficiencies across the care continuum. Of particular note is the leadership role being taken by our hospitals in developing shared information systems—IT. Other examples arising from our leadership in health reform include advancing new systems of accountability and performance measures—new metrics; spearheading initiatives to reduce medical errors and promote adoption of evidence-based practices; addressing concerns about the supply, mix and distribution of health care professionals, an indispensable asset to the future of health care; and last, creating, assessing and diffusing new technologies.

We believe that enhancing understanding of these emerging roles is crucial to understanding the scope of our activities as well as the costs and value associated with our work.

Before I conclude, I want to table two specific issues with the committee, particularly in the context of your mandate.

The first issue relates to the need for stable and predictable funding to support the multiple roles being carried out by the academic hospitals of Ontario. The impact of local health integration networks, otherwise known as LHINs, and the devolution of power to these entities set the stage for a new funding paradigm for hospitals. It also poses tremendous challenges in terms of ensuring the stability of academic hospitals and the provincial programs they provide. The funding of academic hospitals and the activities driving their costs is extraordinarily complex, but in simple terms it's essential and indispensable. It is vital that we understand and respect this complexity as we move forward. We play a crucial role, a role that, for the sake of our patients and the communities we serve, must not be compromised. To this end, we are committed to working hand in hand with our LHINs to provide better care for patients and to ensure a viable climate for academic growth and productivity.

The second issue relates to health research. As mentioned previously, academic hospitals and their health institutes constitute a significant portion of the province's health research efforts. In fiscal 2006, over \$850 million was invested in health research, primarily through grants awarded to our scientists to conduct research. The research institutes conduct over 80% of the health research in the province, four times more than that conducted at Ontario universities. The institutes support a workforce of over 10,000 scientists, clinical investigators and other researchers and have been a major source of world-class medical breakthroughs in areas such as genetics, treatment of cancer, medical imaging and minimally invasive surgical techniques.

Nationally, Ontario is now lagging behind a number of other jurisdictions, namely BC and Alberta, in terms of its commitment to sustaining and strengthening its health research enterprise. We need the government to invest in health research. To begin with, we have proposed that the government contribute \$52 million in annual funding to provide the annual salary support necessary to attract and retain highly qualified scientists—the engine and human resource that drives research. This investment will have tremendous impact on health research in this province, particularly in terms of retention and recruitment of world-class scientists.

At a time when Ontario's manufacturing sector is suffering, the time is right for the government to invest in the health research enterprise to create jobs and opportunities for the knowledge economy of tomorrow.

Lastly, we want to reiterate and underscore our support for the establishment of a provincial health research agency. This agency would be mandated to set health research priorities building on the existing health research infrastructure. Providing a focal point for health research in Ontario is essential to achieve improved health outcomes, strengthen a knowledge-based workforce in a post-manufacturing economy and leverage a reputation for leadership in commercialized health care technologies.

Let me end on a philosophical note. Bill Gates has been quoted as saying, "Never before in history has innovation offered promise of so much to so many in so short a time." We believe this statement applies well to the work of academic hospitals and the health research they conduct to benefit our patients and Ontarians. Let's work together to harness the best of what we have to offer. The health of Ontarians depends upon it.

Thank you for your time. We would be pleased to respond to any questions you may have.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition. Mr. Hudak.

Mr. Tim Hudak: Thank you for the presentation. It's great seeing Mary Catherine Lindberg back again, a fellow Niagaran. Mary Catherine's presence here reminds me of Pacino's line in *The Godfather III*. Every time she tries to get out, they keep dragging her back in. Welcome back to the committee.

I'd be interested in a few things, if you don't mind. You mentioned 25 or 26 hospitals you consider academic

research centres. We also have other groups that will make presentations or submissions, like the GTA/905 Healthcare Alliance, for example, for growth-area hospitals. So a lot of your members will be in both groups. Help me reconcile your proposals versus theirs.

Mr. Joseph Mapa: Sure. The parent group, the Ontario Hospital Association, that I think is presenting to you imminently—I think in the next couple of weeks or so—will talk about cross-hospital issues such as operational funding, such as the role of LHINs in terms of jurisdictional planning, such as IT as far as enabling technologies that all of us share in common.

What we're here to talk about is the unique role of academic hospitals, because our mandate includes, in addition to the things I talked about, training, education and research. Those are unique roles that define the academic hospital, whether it's here or in any jurisdiction across North America—in fact, throughout the world. So we are here to differentiate our role and to try to ensure that we impress upon you that this role is essential in a sophisticated and prosperous economy. That's what we're trying to do.

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Mr. Tim Hudak: Maybe you can shed some light as best as possible on the role of LHINs and the influence they have on the funds that flow to academic centres. Obviously you're concerned because, if I understand the model, the funds are transferred to LHINs and they'll make decisions within their regions.

Mr. Joseph Mapa: You know, I'm not concerned about LHINs. I think all of us respect LHINs. In fact, Mary Jo and Mary Catherine and myself, I think it's safe to say, support the concept of a LHIN and the philosophical underpinning of LHINs, which is about the improvement of health, which is about regional planning, which is about efficiency, productivity and the smart way to do things. That's not what this is about.

What we are concerned about, as an academic constituent in Ontario, is that whatever change takes place, whether it's LHINs or whether it's a new provincial research agency, academic hospitals and their role be respected and that their integrity be maintained. So whenever we have an opportunity or a forum to express our position and our role, we do so. We're going to work with LHINs. We work with LHINs already and, in fact, we influence LHINs. We try to make sure they evolve in a positive way for all health care. So it's not about our concern about that. I think LHINs create a challenge, as anything new, any new paradigm creates, and I think that's where you get a lot more advocacy during these new times.

Mr. Tim Hudak: Your second point, \$52 million in annual funding for the salary support: Is it currently financed under the individual hospital allocations through the ministry, does it come from chairs from academic programs? How is it currently financed?

Mr. Joseph Mapa: Most of the research now is financed through two forms. One is external funding

from agencies such as the national institute of health research or—

Ms. Mary Jo Haddad: Heart and Stroke.

Mr. Joseph Mapa: Heart and Stroke and so forth. But in our province, unlike, for example, other jurisdictions in the States and Quebec and Alberta—most of those jurisdictions understand the other side of it—hospitals now are paying, and it depends on the hospitals or the institutes, about 30% of every dollar for research, up to 40%. This is, for us, unsustainable because we have to raise those monies through fundraising. Fundraising, by the way, can go into critical equipment, IT and the things that other organizations will come here and actually ask for.

Because we believe in the research enterprise as an enabler for health care and patient care, we spend a lot of time raising money for that. It's unsustainable, it doesn't make sense. So what we are asking for is a sustainable source of funding for research salaries, for our researchers, that enables us first of all to keep that enterprise robust and second of all enables us to channel our energies to raise money—which we will, by the way; we do this and we do this well, I hope—for other purposes which I think are equally important.

So that's what it's about.

Mr. Tim Hudak: A last question—

The Chair (Mr. Pat Hoy): Thank you, and thank you for your presentation.

ONTARIO CONVENIENCE STORES ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Convenience Stores Association to come forward, please. Good morning. You have 10 minutes for your presentation. There may be five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. Dave Bryans: Good morning, everyone. My name is Dave Bryans. I'm president of the Ontario Convenience Stores Association, and I have the luxury of being president of the Canadian Convenience Stores Association at the same time.

On my left is Steve Tennant. He's national director of the We Expect ID campaign. Steve also has 30 years of retailing experience, which he'll bestow upon you shortly. On my right is Chris Wilcox. He's general manager of Quickie Convenience Stores out of Ottawa and also chair of the Ontario Convenience Stores Association.

First, I want to thank the committee for seeing the Ontario Convenience Stores Association and listening to us and hearing a few of the suggestions we have today.

A quick review of the four areas we'd like to discuss—and we will be sharing the podium; it won't just be me speaking. We want to talk to you about the rapid escalation of contraband tobacco as it relates to this province, and the cost to retailers and to the Ontario government. It's growing, and we'd like to discuss that.

We also want to talk about our responsible community retailing initiative, and that's known as We Expect ID, and we'll discuss that with the committee very quickly. Steve Tennant will touch on that. Chris Wilcox will then take you through the impact on tobacco display bans for convenience stores throughout the province. Finally, we want to talk about one significant way that the government could assist our sector in allowing the sale of alcohol or soft alcohol—beer and wine—in convenience stores in Ontario.

But first, a quick overview of who we are, a little bit of background. You must be saying, "Wow, who are all of these people sitting up here?" Well, we represent a \$6-billion industry here in Ontario. We're very proud of it. We employ over 70,000 employees, people at our stores, and close to 85% of all of our employees are new Canadians—a very, very important facet. Convenience stores are actually one of the first job experiences for many young people in Ontario, and always have been—including myself, by the way—so that sort of sets the tone. There are over 10,000 convenience stores in the province of Ontario, and they're located in every town, city and community in this province. Most of these stores are owned and operated by small family-run businesses, and all of them are within your own ridings as well.

We represent the Ontario Convenience Stores Association, over 7,000 convenience stores, and there are 10,000 convenience stores in the province.

Finally, just to help update you, over 1.2 million Ontarians visit a convenience store each day. The entire population will visit a convenience store every 30 days. So we have a pretty broad base of talking to the consumer for you.

The first area I want to talk to you about, and I'm going to touch on it, is contraband. Here's a great opportunity for this committee and for this government to now recoup over \$500 million lost provincial tobacco tax dollars, and I'll just touch on it. Contraband or illicit cigarettes—some people in the room are very familiar—are products that are untaxed and moving illegally around the province. It's a very serious problem in Canada, but it's getting worse by the day, especially here in Ontario and in Quebec. It is cheap, they're easily bought, and they lack any government taxation, inspection or control. The illegal sale of contraband cigarettes has robbed our industry and the Ontario government of hundreds of millions of dollars. Don't fool yourselves: Provincial tobacco tax makes up a big part of the taxation that's being lost, and so does provincial sales tax. We estimate that the lost revenue to the Ontario government to date is about \$600 million a year and growing. Just as an example, all governments in Canada are now losing 1.6 billion in tobacco tax dollars. If we don't control it, if people don't take the political will to change it, it will be over \$5 billion in five years.

Contraband tobacco is causing serious harm to the convenience store industry. People don't come in to buy gum, chips, pop or lottery tickets. Our sales are way down, and that is in every community. You can ask with-

in your own communities. An industry-wide survey determined that there has been over a 25% decrease in convenience store business over the last two years because of contraband. Contraband, or illegal, cigarettes sell for about \$6 to \$10 a 200 bag—carton—versus the legal market of about \$65 for a carton of cigarettes, tax in. It's impossible to compete with the illegal cigarettes that are sold for 10 times less than the legal price here in Ontario. Studies have shown that contraband is widespread throughout Canada, but growing particularly in Ontario and Quebec. Nearly one in three cigarettes smoked in Ontario, 31.5%, is now illegal and contraband—a shocking number of people who are avoiding taxation in this province, and we're closing our eyes to it. This is up from 23.5% in 2006, or a 23% increase in one short year.

In fact, what should be of most concern to all of us is that its illegal, organized distribution networks have even reached our high schools, and many youth now have access to cheap products. In a recent study that was conducted by the Canadian Convenience Stores Association, it was determined that 35% of all cigarette butts collected at high schools in Quebec were being smoked illegally by students, and 24% of all students who were surveyed in Ontario and who smoked were smoking untaxed products in this province. As earlier stated, this happens with absolutely no government inspection, no testing, no quality control, no health warnings, no oversight, and no taxation.

It is a complex problem. There's no easy solution; I'm not here to tell you that. But we need the action of this government urgently. We need the government to work with us on tax levers and increased enforcement to deal with the issue.

I'm sure you will bring up questions at the end. Now I'm going to turn it over to Steve Tennant to talk about the responsible community retailing program that we're very proud of called We Expect ID.

Mr. Steve Tennant: Good morning. We Expect ID was created in 2007 by the Ontario Convenience Stores Association for the Ontario Convenience Stores Association. It's a zero-tolerant sale age-verification program that our members take very seriously. We fully recognize that we must be zero-tolerant on all age-restricted products, age-restricted products being tobacco, lottery, and alcohol in many of our cases, because we have the convenience stores, but it's lots of other products like fireworks, movies and games. We currently have the program in 5,000 of our member sites, roughly half of the convenience stores in the province, and are trying to reach out to the true independents, the one-off shops in every single community.

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What we're expecting with We Expect ID is, working with the Ontario Lottery Corp., we've instituted that when you go to make a purchase of an age-restricted product, you must present photo ID. If you present your Ontario driver's licence, we can swipe it through the lottery terminal. It quickly and easily verifies—your age

pops up on the screen. It's very quick, it's already met all of the privacy issues, it's very clean, and it's much better than the program that otherwise would have to be used, as is being used in the LCBO today, where you have to verify, check the birthdate and the signatures. This is a very clean, quick and easy solution.

We take it very seriously that we must be zero-tolerant. Our members are training all of our staff in the program. We're developing our own website portal so that every store and every staff member can be certified and regulated, and we will do follow-up checks to make sure they are following all the policies and procedures as expected. The goal of the program is obviously to be zero-tolerant and to assure the public that they can trust our members that none of the age-restricted products are going to be in the hands of minors. That's lottery and tobacco, all products.

What we've asked the government to do, because it is in the government's best interest to ensure that minors are not gaining access to this age-restricted product, is to support us in developing and rolling out We Expect ID to the full province and all convenience stores and/or other retailers that sell age-restricted products. We submitted to the government a proposal for \$2 million a year for the next four years to develop the program, institute it, get it rolled out, and then re-certify and check on our members to make sure they are following all procedures.

Thank you.

Mr. Chris Wilcox: If Dave and Steve have timed this correctly, I should have three minutes left, so I promise I'll be three minutes. Again, my name is Chris Wilcox.

The Chair (Mr. Pat Hoy): You don't have three minutes.

Mr. Chris Wilcox: I don't have three minutes?

The Chair (Mr. Pat Hoy): You have two.

Mr. Chris Wilcox: My other full-time job is as general manager of Quickie Convenience Stores in Ottawa.

On May 31 of this year, all convenience stores in the province of Ontario will be required by the Smoke-Free Ontario Act to cover up their tobacco displays. While our association generally supports the government's objectives which were behind the smoke-free act, the significant cost to our members of complying with the display ban was something that the government failed to consider when they wrote the legislation.

Again, our members have told us that they want to comply with the new law, but only in a way that looks professional and has visual appeal. In other words, they didn't want to end up with the shower curtains that we saw covering tobacco displays in Manitoba and Saskatchewan. In response to the government legislation and at the request of our members, we spent a great deal of time developing a back wall cover-up that meets the test of compliance, while at the same time giving our stores a professional look. In your handouts, you'll see a photograph of exactly what I'm talking about, which is our back wall solution to the new rules.

However, what was forgotten in the rush to write these new smoke-free rules was the significant cost to our members to retrofit their stores with these cover-ups. We

estimate the cost of these cover-ups conservatively in the \$5-million range, or roughly \$500 per store across the 10,000 convenience stores in the province of Ontario. These are dollars that many family-owned convenience stores simply don't have, and so I'm here before you today to ask the Ontario government to work with us to ensure that the convenience stores across this province are not saddled with this expense on their own. One also shouldn't forget that the legislation is coming into effect at a time when our members are being especially hard hit by rising energy costs and minimum wage rules.

The second item I would quickly address is the sale of beer and wine from Ontario convenience stores. Our sector has been severely battered by the flood of contraband tobacco, which has eroded our revenues, all the while having to cope with rising labour and energy costs that I touched on moments ago.

It would be a tremendous boost to our sector if we were allowed to sell beer and wine in our stores. I can speak from personal experience because of the 11 stores which my chain operates in Gatineau, Quebec. We've sold beer and wine from our Quebec stores for over 30 years without incident. On average, we have three more full-time positions in each of our Quebec stores than we do in our Ontario stores. This is strictly to handle the additional sales volume and bottle returns that come from being able to offer beer and wine in Quebec dépanneurs. Multiply this increased labour factor across the 10,000 convenience stores in the province of Ontario, and imagine the economic stimulus that would have.

Just like the bringing of wine to your favourite restaurant was viewed as a natural evolution, so too would this be seen as an idea whose time has come to Ontario, and it's one which the government can implement to support our sector without costing it one thin dime. I think it makes common sense, and I think the majority of Ontarians would support it.

Mr. Dave Bryans: As you can see, we want to work with the government. We've always wanted to work with everyone in the room. We want to build a presence and help small business as we move forward here in Ontario, because it's important to the communities you all live in. We want to develop a strong, compliant tax base for this room and for the future of Ontario. Finally, we're proud of We Expect ID, because it's a great program and it's a great time for our government to stand behind zero-tolerant age programs for youth in this province. Thank you, and we'll take any questions.

The Chair (Mr. Pat Hoy): The questioning will go to the NDP.

Mr. Michael Prue: I have several questions. I was intrigued by the amount of money that you said you could buy a carton of 200 cigarettes in Ontario for: between \$6 and \$10, versus \$65. I have never heard the price categorized that low. Where is this coming from? Last year, we were told it was around half the price, and somebody actually brought the cigarettes from a reserve to where we were in Belleville to show us what was purchased that morning; it was about half the price.

Mr. Steve Tennant: Yes. It's supply and demand side. The price is actually going down, and they're competing with each other. Most of that product is simply packed in freezer bags, baggies. There's 200 cigarettes. Most of it is being produced in upper New York state on First Nations lands and then smuggled through Cornwall, through Quebec. As you get further through the province, the price goes up with the difference away from the manufacturing plants. So where you can buy it for \$6 or \$8 in Cornwall and Belleville, by the time you get that to Thunder Bay, it may be \$20 for that same bag.

Mr. Michael Prue: Okay. You said it's a complex problem, and I agree it is, but the only rational way that I can see to stop it is to have police, customs officials, interdicting the cigarettes as they're crossing the border, and then police taking this as a serious crime where it's being retailed. Do you have any other suggestions, other than more police and law enforcement?

Mr. Steve Tennant: Enforcement and regulations are certainly one of the steps to stop the free flow of illicit trade through the province. The other side is tax policy changes. Here in Ontario, no provincial tobacco tax is being collected for product shipped to the native reserves or manufactured on the native reserves. The western provinces treat it differently. First Nations treaties are respected and they do get their product tax-free, but it's on a rebate system. The product that is shipped or manufactured is fully taxed, so Ontario would be collecting all of its taxes, and then First Nations peoples would get their rebates back. That's how it's being handled in the western provinces, and they have much less of a problem with smuggling.

Mr. Michael Prue: In terms of police enforcement, I can only speak anecdotally of one circumstance in my own riding where the neighbours were complaining. A guy moved into an apartment and was selling cigarettes at all hours of the day and night. People were knocking on the door at 4 in the morning to get contraband cigarettes, and the police seemed very reluctant to actually get a warrant and arrest him. Even after they did, he started up business the next day, and they were reluctant to come back. Do you see this as a problem the government has in enforcing its own laws?

Mr. Steve Tennant: Absolutely. A lot of this product is coming off of First Nations lands, and all levels of government and all levels of law enforcement are very reluctant to be confrontational with First Nations. I know that in North Bay, the chief of police has recognized the issue, sees it, and has categorically stated that there is no way he is going to do anything or take any action. He does not want any direct conflict.

Mr. Michael Prue: Just to shift gears a little bit, in terms of the issue on the convenience stores and the \$500 or so it costs to put in these dark market, back wall solutions, this is the first I've heard that retailers are asking the government to foot the bill. Why is it that retailers should not be footing the bill? Five hundred dollars does not seem a lot of money per individual store to continue to sell cigarettes.

Mr. Chris Wilcox: It's not only chains we're representing here. We represent thousands of mom-and-pop stores across the province, and \$500 is a lot, especially at a time when they're facing higher energy costs and labour costs. The cheapest solution would be just to stick up a shower curtain, which is what they did in Manitoba and Saskatchewan, and none of us want that. In fact, the health ministry has told us that that's not an acceptable solution, that they want something different, so we've come up with what we thought was the most cost-effective, professional looking fixture we could. For some stores it's going to be \$500 and for other stores it's going to be more. I tried to come up with an average across the province. I was trying to come up with a conservative figure, not something that was outrageous. We've heard it costing some chains as much as \$5,000 to renovate their whole front ends. But a typical mom-and-pop would spend roughly between \$500 and \$600 installing the solution that we've come up with. We think it's a reasonable request, especially since this was imposed upon them by the smoke-free legislation.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee.

We are recessed until 1 o'clock.

The committee recessed from 1212 to 1304.

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order.

WELLESLEY INSTITUTE

The Chair (Mr. Pat Hoy): Our first presentation of this afternoon is the Wellesley Institute. If you could come forward.

Mr. Bruce Crozier: A fine-looking gentleman, if I might say.

Mr. Michael Shapcott: Thank you very much. You have my vote, sir.

The Chair (Mr. Pat Hoy): You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Michael Shapcott: Thank you, Mr. Chair. My name is Michael Shapcott. I represent the Wellesley Institute. If I may say, we do wear bow ties at the Wellesley Institute. But in addition to that, we're a community-centric independent policy and research institute dealing with the social determinants of health. In particular today, I wanted to make some submissions to the committee in terms of housing and homelessness.

Of course, the number one issue on the minds of this committee and indeed most Ontarians is: What's happening with our economy? Is there going to be a recession in the United States? Is that going to drag Ontario down with it? I think that if there's one thing we can say for certain about the economy, we can say that President Bush has taught us three very important lessons.

One lesson he has taught us is that what happens in the housing sector doesn't stay in the housing sector, that what triggered the current financial crisis—downturn,

softening, recession, whatever words we're using today—was in fact the subprime mortgage crisis, which didn't just contain itself to the estimated two million households that will be losing their homes as a result of that crisis but has now spilled out into the broader economy. I think that's an important lesson we have to pay attention to that what happens in the housing sector does affect the broader economy.

The second important lesson I think we can learn from the United States and apply here to Ontario is that the deliberate policy in the United States of neglecting housing policy and simply letting the markets do whatever the markets choose to do has had enormous repercussions. We know that many of the people who were forced into the clutches of rather unscrupulous mortgage brokers in the United States were there because they were desperate; they had no other options. There is no national affordable housing strategy in the United States, and that's what forced them. There's also the additional factor there that fortunately we don't have as serious an issue with here, and that is that we know that there are estimates that as high as 40% of the people who were lining up for these subprime mortgages were doing it in order to pay off uninsured medical expenses. So we do know that neglecting housing policy has very costly implications.

The third very important lesson that we can learn, thanks to President Bush and his policies, is that when the economy sneezes, low, moderate and middle-income households face hypothermia. Even before these current financial troubles there had been deteriorating conditions here in Ontario on both the ownership side of the housing sector and the rental side. This has created widespread housing insecurity and growing homelessness. Evictions in Ontario were at record highs in 2005 and then again they set another record in 2006. This housing insecurity, growing unaffordability and growing homelessness not only affect the individuals who were involved but also disrupt communities. It's a drag on our regional and provincial economies.

I want to remind the committee that the last time Ontario went into an official recession we actually had a provincial and national housing program and we had income assistance programs that provided some form of social safety net for people who became victims of these broader macro economic forces. That social safety net was slashed in the mid-1990s and now low, moderate and middle-income households in Ontario are facing the prospect of a looming recession with a badly frayed and chronically underfunded social safety net.

There is, however, good news. The good news is that there are solutions available for this committee to adopt and for the government to implement which will not only help the individuals directly affected but will provide substantial economic and social benefits, including jobs, and taxes for municipal and provincial governments. So the housing solutions will not only help us to meet our challenges but they'll also help the province to weather the troubled economic times.

I'd like to, if I may, make several specific recommendations to the committee and then some general observations. They grow out of the state of housing in Ontario in 2008, and I've provided some detail in the written submission.

First of all, we know that on both the owner's side and the renter's side of the housing sector in Ontario we're in trouble. We know that new construction began to taper off starting in 2004, that new rental supply in particular remains desperately short of the need and that average rents in Ontario have outpaced the rents that most tenant households can afford to pay, and that goes back almost a decade now. Eight of the 10 least affordable rental communities in Canada are in Ontario; that's according to Canada Mortgage and Housing Corp. We now know that, according to RBC Economics Research and others who study the ownership market, the price of owned housing is growing out of reach even of middle-income households. So we've got a crisis that has been brewing even before whatever happened south of the border sweeps over Ontario.

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We also know that Ontario does have plenty of fiscal capacity for solutions. No matter how you measure it, the province of Ontario is spending less on housing now than at any point in the last 15 years. In fact, Ontario's housing record is the worst in Canada when compared to other provinces and territories. Back in 2001, the Ontario government joined with all the other provinces and territories to sign the affordable housing framework agreement, and it promised at that time that it would ramp up provincial housing spending to match new federal dollars. That was to be a \$2-billion program across the entire country. On page 12 of our submission, at the very end, there's a very troubling chart which shows that since that agreement was signed, you'll find that every other province and territory in Canada has increased its spending—some marginally, but at least increased—except for Ontario, where the spending has dropped by more than \$700 million. So Ontario has the worst record of any of the provinces and territories in terms of housing spending.

A third observation we'd like to make is that housing solutions will help Ontarians and also help the Ontario economy. So we're recommending four very specific solutions that we'd ask this committee to adopt and in turn we would ask the government to give favourable consideration.

First of all, we think the government should complete the upload of affordable and social housing program funding that it started in the 2006 provincial budget. The overall cost of that is estimated to be about \$600 million.

Secondly, to assist renter households who are trapped in the affordability crisis, we recommend that the government offer 45,000 rent supplements to lower-income households to help them maintain their housing—an estimated cost of \$220 million.

Thirdly, we'd recommend that this committee adopt a proposal for a new provincial social and affordable

housing program and provide capital grants for an annual total of about 8,300 new truly affordable homes to meet the current and growing need—estimated cost, \$830 million.

Finally, Ontario urgently needs a social housing rehabilitation and renovation fund to deal with aging social housing stock, and we estimate that at \$260 million annually.

Those are our four major recommendations, but we have some other recommendations I'd like to quickly touch on before moving to questions.

First of all, as I mentioned, the province does have the worst record among the provinces and territories of Canada for housing funding, but it gets even worse than that, in that Ontario not only is not spending its own money but it's not even spending federal money. In particular, last year the federal government allocated, through an off-reserve aboriginal housing trust fund, \$80.2 million to Ontario to build off-reserve aboriginal housing—and if there's one group in our province that is bearing an unfair burden in terms of housing insecurity, it's aboriginal people living off-reserve. There's one year left before these funds are clawed back by the federal government. This committee needs to send an urgent message to the government that those funds need to be allocated to aboriginal housing providers in order to build aboriginal housing.

Second, we'd like to encourage this committee to see these recommendations as being an immediate down payment on a provincial poverty reduction strategy. We're encouraged that the provincial government and other political parties are now talking about the need for a comprehensive poverty reduction strategy, and we know that there's some time that's necessary to work out the details, indicators, timelines and so on. In the meantime, we think that the upcoming provincial budget is an ideal time for a down payment on a provincial poverty reduction strategy, so we join with many other groups that are making presentations to you in urging that.

We also would note that there are a number of non-fiscal measures that the government can adopt that don't directly impact on budget 2008 but which would have a very major impact in terms of easing housing insecurity and homelessness in Ontario. I'll just simply list them: ending vacancy decontrol; authorizing mandatory inclusionary zoning for housing; and finally, supporting the renewal and enhancement of federal housing and homelessness initiatives.

I appreciate the opportunity to make those submissions. I'm happy to go into more detail in terms of the facts and figures. In our report, we've brought together the latest research from government and non-government sources to give you a better perspective on what's happening in terms of housing and homelessness in both the ownership and the rental sector, and we think that helps to support our request today for additional funding for housing and homelessness initiatives.

The Chair (Mr. Pat Hoy): This round of questioning will go to the government. Mr. Arthurs.

Mr. Wayne Arthurs: Michael, thank you for being here this afternoon. You probably weren't here this morning—I can't remember who all was here and who wasn't—but among our presenters we had our economic experts as well. One of them, Hugh Mackenzie, commented on infrastructure as an important component of the competitiveness of the province and the like, and in that context talked about the relationship between the province and municipalities, and municipalities having a larger share of that cost but the least amount of resources available.

I say that just to sort of pre-empt my question, because two of your pre-budget submissions deal with the upload of affordable housing, social housing, program funding and the funding of the social housing rehabilitation and renovation fund. Currently, the municipalities and the province are in the midst of a fiscal review panel process, and I know from my municipal background and the years I spent there that one of the ongoing and significant issues for them is the cost of affordable housing and, importantly, within that, retaining that physical infrastructure, the rehab renovation capacity of municipalities. They would like to see, I think to a large extent as one of their priorities in their deliberations, that some of these costs or all of these costs be returned to the province. In doing that, though, there's always the risk that you extract, then, the community-based management of support housing that I think is best delivered at that level as opposed to being delivered from the province on down. The old Ontario housing model—we're well beyond that now.

Can you comment for me on, as you see it, the role of the municipalities, whether you agree or disagree, continuing an integral role, and in doing that, how we would manage the fiscal relationship? It's always this pay-for-say issue that crops up, whether it's the province or municipalities, that nobody wants to pay if they don't have any direct say in how that money's being expended. Can you comment on those elements of your submission and their relationship to municipalities in particular?

Mr. Michael Shapcott: Absolutely. The review process is an important process, although I think that there's general agreement that social spending costs, including the social housing programs, do rightfully belong at the provincial level, but administration can safely stay at the municipal level.

We actually have a long history in Canada and in Ontario. If you go back to Ontario in the 1980s, we saw the emergence of the affordable housing programs in 1985, 1986, 1987 and into the early 1990s, where the programs were by and large funded at the provincial level but delivered locally; and again, national housing programs and successful housing programs of the 1970s and 1980s, before they were cancelled in 1993, funded nationally but delivered locally. So I think that the precedent is very clear and is there.

I would simply say that your government—of course, we think this is the right step—in the last provincial budget did a partial upload in terms of 905. There were some particular concerns there because they were paying

an extra share, if you like, for social housing in Toronto because of some of the issues that were created by the downloading process. That helped to deal with that particular inequity, but we think the funding and the administration can be separated without damaging the program.

Mr. Wayne Arthurs: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Michael Shapcott: Thank you very much.

CANADIAN MANUFACTURERS AND EXPORTERS

The Chair (Mr. Pat Hoy): Now I call on the Canadian Manufacturers and Exporters to come forward, please. You have 10 minutes for your presentation. There might be five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Ian Howcroft: Good afternoon, Chair and committee members. My name is Ian Howcroft, and I'm vice-president of Canadian Manufacturers and Exporters, Ontario division. With me is Paul Clipsham, CME Ontario division's director of policy and research.

On behalf of CME, I'd like to thank the committee for the opportunity to provide our input into the development of the upcoming provincial budget. Before we comment on some of the specific recommendations, I'd like to make a few comments on manufacturing and the current challenges that manufacturers are facing and dealing with.

Canadian Manufacturers and Exporters, Ontario division, is the voice of manufacturing and exporting in Ontario. Our member companies account for approximately 75% of the province's total manufacturing output and are responsible for about 90% of the province's exports. CME represents a broad variety of industry sectors, including a significant portion of small and medium-sized enterprises. In fact, about 80% to 85% of our membership is comprised of SMEs. In Ontario alone, our sector contributes almost 20% of GDP, and approximately \$300 billion to the Ontario economy.

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Further, the manufacturing and exporting sector provides employment to almost one million individuals directly. A point many people don't realize is that there's almost 1.5 to 1.8 million who are indirectly dependent on manufacturing for their jobs. Many manufacturing jobs are highly skilled and highly paid. Manufacturing jobs pay wages 25% above the national average.

Every dollar invested in manufacturing generates \$3.25 in total economic activity, which is the highest multiplier effect of any sector. The sector is also responsible for over two thirds of private sector investment in research and development, something that's crucial for the future of our province.

Notwithstanding these impressive statistics, the manufacturing sector has been very hard hit over the last

couple of years. One cannot read a newspaper without noticing an article about the impact of the rapid increase in the value of the Canadian dollar and what it's done to Canadian and Ontario manufacturers. In this recent run-up, the dollar increased by about 12% in value in a matter of months, in many cases removing some company's entire profit margins. While there's been some recent pullback, there is still a great deal of uncertainty, and we expect the dollar to be at par, or close to par, over the next year.

Global competition, increasing input costs and skill shortages are some of the issues that have made manufacturing more difficult. CME works to assist our members better find solutions to these challenges and ensure that everyone recognizes the importance of manufacturing and what it contributes to the economy, to our standard of living and to our quality of life.

The government is to be commended on its commitment to a strong manufacturing sector. By adopting CME's recommendations to create the Ontario Manufacturing Council, implement accelerated depreciation on manufacturing and processing equipment, and eliminate the capital tax for manufacturing activities, the government is taking steps to address the challenges facing the sector. We look forward to moving forward with the council, and are pleased that our president, Dr. Jayson Myers, was asked to vice-chair the council.

While these are laudable efforts, they will only likely provide a brief respite in the eye of this perfect storm. According to CME's 2008 management issues survey, manufacturers and exporters continue to grapple with the impact of the rapidly appreciating dollar, rising business costs, skills challenges and competition from emerging markets. The impact of these pressures is evident in the numbers: In Ontario, there are, as of October 2007, 30,000 fewer manufacturing jobs than in January—that's down 3%—and 173,000 fewer manufacturing jobs than five years ago. In November 2002, we hit our peak of over 1.1 million direct manufacturing jobs.

Urgent action is required to reverse this trend and create a robust investment climate for manufacturing and exporting businesses. The actions of the government should be based on the following tenets: a competitive taxation system, cultivating a highly skilled workforce, and world-class infrastructure.

Creating a competitive taxation system is not out of reach in Ontario, and we have seen some positive recent changes in the fall economic statement. Additional changes can stimulate new investment, foster innovation, encourage training, reduce administration and even improve the environment by investing in more efficient technologies. In order to remain globally competitive, Ontario needs to look carefully at the total tax rate paid by business and act to reduce it accordingly.

The level of the Ontario tax burden continues to be viewed as an unnecessary and unproductive cost of doing business in Ontario. A recently published report by PricewaterhouseCoopers and the World Bank, entitled *Paying Taxes*, ranks Canada as 99 amongst 178 countries

in terms of the total tax rate paid by business. These costs are beyond the capacity of individual companies to control, and a major impediment to attracting new investment and sustaining economic growth. The total tax rate is not the determinant of a competitive tax regime, however. The time it takes to file taxes is becoming increasingly important to investors as this adds to business costs and distracts from value-added activities.

CME recommends the following actions to reduce the total tax rate and administrative burden on businesses principally engaged in manufacturing and exporting activities: reduce the general corporate tax rate to 8% for manufacturers; proceed with the extension of the accelerated depreciation provisions; address inequities in the property tax system; and move to a value-added tax for Ontario.

We believe that the government has a unique opportunity at this time to leverage the most economic gain by proceeding with targeted tax reforms in each of these areas. We believe the economic spin-offs from these reforms will garner the biggest bang for the buck and will provide the right incentive for future investment and growth.

A highly skilled and dynamic workforce is critical to our success in the 21st century in the global economy. Ontario will not compete globally on rock-bottom prices. In order to compete and win, manufacturers are moving towards higher value-added products and processes, each requiring ever-increasing levels of skill to design, develop, manufacture and service these products. Therefore, it's imperative that the conditions exist to cultivate a highly skilled workforce and a culture of continuous learning.

To stimulate employer-sponsored training, we recommend enhancing the employer tax credit and creating an employer-sponsored training program.

To recognize the time limits here, I will ask Paul Clipsham to talk in greater detail about some of the other specific recommendations that we want to make, and we'd be pleased to answer any questions on the points that we're raising right now.

Mr. Paul Clipsham: I just want to delve into a couple of the recommendations that Ian has put forward. Inequities in the property tax system are widespread in Ontario, with industrial taxpayers bearing a disproportionate burden. A 2007 presentation to CME by Walker Poole Nixon analyzed industrial, commercial and residential tax rates across seven jurisdictions in Ontario. On average, industrial rates were 35% higher than commercial rates and nearly 400% higher than residential rates.

Whatever the historical rationale for charging these disproportionately high rates, it clearly no longer exists. Conversely, CME would argue that a strong case can be made for disproportionately low property tax rates for industrial customers. Competition for manufacturing investment is now global. Other jurisdictions offer property tax incentives to attract new manufacturing investment. Every dollar invested in manufacturing in Ontario generates \$3.25 in total economic activity, the highest

multiplier of any sector. Manufacturing also results in high-wage jobs—25% above the national average. If we connect the dots accordingly, all that adds up to greater tax revenue for government, which can be reinvested in infrastructure, education, health care and social programs.

Furthermore, the province needs to move quickly to eliminate the capping and clawback mitigation measure. The clawback results in some taxpayers paying more than their CVA taxes—that's current value assessment—so that other taxpayers pay less. This is neither fair nor equitable and should be eliminated immediately.

I also want to talk a bit about the value-added tax. Improving Ontario's taxation system is critical to improving Ontario's tax competitiveness and the performance of Ontario business. CME strongly supports the measures to harmonize the tax collection system between the Ontario and federal governments. Once the government has completed the harmonization of corporate tax collection, there will be an opportunity to encourage the federal government to remove the SR&ED tax credit from the tax base at the federal level and move towards a highly advantageous value-added tax system. CME feels strongly that the government of Ontario should fully harmonize the current Ontario retail sales tax with the federal goods and services tax to create a value-added tax system.

A 2006 study by the C.D. Howe Institute entitled *Business Tax Reform: More Progress Needed* stated that "if Ontario wishes to address its uncompetitive position ... it has to consider a VAT." Harmonization would increase the competitiveness of Ontario business. It will reduce the cost of doing business in Ontario by streamlining tax compliance and make our products more attractive in the export market by reducing product costs. The current sales tax regime weakens the competitiveness of Ontario goods in the domestic and international markets.

We also feel that the corporate minimum tax is not a significant source of revenue for the government and represents an administrative and financial burden for businesses in Ontario. Therefore, CME recommends that the CMT be eliminated in an effort to simplify the process.

The Chair (Mr. Pat Hoy): You have about half a minute left for your presentation.

Mr. Paul Clipsham: Just two other points before concluding: We also feel that the logistics infrastructure, which was mentioned earlier, is critical to the manufacturing sector. We feel that there are multi-modal opportunities that are underutilized and under-invested in in Ontario that should be looked at in greater detail. Also, energy infrastructure is critical to the manufacturing sector. More effort is needed to invest in that infrastructure.

Canadian Manufacturers and Exporters is encouraged by the government's commitment to deficit reduction and a balanced budget, and we know that much more must be done today to avoid a further downturn in the manu-

facturing sector. We strongly support the decision to mirror the federal government's accelerated depreciation measures and feel that the duration should be extended to ensure equitable access for all manufacturers.

CME challenges this government to improve the competitiveness of the tax regime further, to grow existing investment and stimulate new investment in manufacturing and exporting. While the manufacturing and exporting sector is surviving a barrage of unprecedented challenges, a strong partner in the Ontario government is essential to return growth in this most important sector.

Thanks very much for your time.

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The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the official opposition.

Mr. Ted Arnott: On behalf of the Progressive Conservative caucus of Ontario, we want to express our appreciation for your presentation here today.

It was two and a half years ago that I met with your former president, Perrin Beatty, and he was expressing concern about the pending crisis in manufacturing. He said that there were huge competitiveness challenges that the sector was going to be facing, and that without an immediate response and appropriate action from the provincial and federal governments there was going to be a serious meltdown of jobs. Since that time, two and a half years ago, we've experienced the loss of about 150,000 manufacturing jobs. All of this was predictable. We knew it was coming. You knew it was coming. We tried to get the government to recognize the challenges you're facing, and unfortunately we weren't able to get them to take the appropriate action.

I appreciate your presentation here today, but I would call upon the government members to get behind you and to ensure that this committee's report makes reference to the specific suggestions that you've brought forward. I think it's absolutely critical for the future of the province that the manufacturing sector be supported through this difficult time.

The government, in its defence, would argue that they have a number of funds that they've set up to support manufacturing jobs, and there are a couple of them, a few-hundred-million-dollar funds. But we would question their effectiveness and whether or not they're actually truly leveraging the investment that the government would claim.

How do you feel their approach to supporting manufacturing is working with respect to these industry funds that they've set up, and would you agree that more steps need to be taken in terms of making our tax system more competitive as an alternative to these hundreds of millions of dollars of taxpayers' money that are going to some of these companies, and others not receiving that kind of support?

Mr. Paul Clipsham: We're pleased with some of the actions the government has taken to help deal with some of these challenges to manufacturing, but we think there's a lot more that can be done. We don't think it's an either/or. We think that some of the funds, the manu-

facturing council, and some of the tax measures made to date are the right things to do. However, we think there's a lot more that has to be done to make Ontario truly competitive, and significant changes still have to be made to the corporate taxation system, as we've outlined in our report, if we want to be able to rely on manufacturing as the engine of the economy in the future. We think that has to be done if manufacturing is going to continue to be the huge contributor that it has been over the last 50 years. So we would encourage additional changes to be made to the tax system to supplement and support some of the complementary, positive changes that have been made to date.

Mr. Ted Arnott: How would your proposal to bring in a value-added tax differ from the current goods and services tax, the GST, and would you suggest and propose that there be a harmonization of the GST and PST as part of that proposal?

Mr. Paul Clipsham: Yes, we've long argued that there should be a harmonization between the federal and provincial tax, that type of approach. We have met with ministry officials in Ontario and across the country and other jurisdictions to continue to get more harmonization, not just on the administrative side, but also on the tax issues themselves.

Mr. Ted Arnott: We heard today from Roger Martin, who is the dean of the Rotman School of Management, and you may have had a chance to see his presentation. But he focused on suggesting that provincial policy needs to be encouraging globally competitive companies to expand their innovation and their upgrading to ensure they are competitive, and that's what government policy should be focused on. Would you agree with that statement, and would you support the suggestion that he's brought forward in that respect?

Mr. Paul Clipsham: Yes. It's a global world out there. We can't work and operate in isolation. We have to be cognizant of those global challenges, and we've been saying that all along. We have to improve our competitiveness, we have to continue to reduce costs, and we have to look to other markets. We certainly appreciate the American market next door to us, but we have to look for other alternatives and other alternate markets because that's where the growth will come from, particularly with what's happened in the last couple of weeks and the last couple of years. So we would agree that we have to try to become a lot more globally focused and a lot more globally successful, again, if we're going to have a competitive manufacturing sector here in Ontario and in Canada.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

COALITION AFTER PROPERTY TAX REFORM

The Chair (Mr. Pat Hoy): I call on the Coalition After Property Tax Reform to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning.

I would ask you to identify yourself for the purposes of our recording Hansard, and you can begin.

Mr. Bob Topp: Thank you and good afternoon. My name is Bob Topp, and I'm chairman of CAPTR, the Coalition After Property Tax Reform. We appreciate the opportunity to appear before this committee today.

CAPTR is an Ontario-wide alliance of urban and waterfront ratepayer coalitions as well as two major seniors' organizations, and represents over one million Ontario property owners. It was formed early in 2006 to lobby for property tax reform in Ontario. Over the past two years we have held extensive discussions with officials at Queen's Park and with representatives of all three major political parties. Our primary concern is with the use of pure assessment to distribute taxes amongst residential property owners.

The reliance on volatile real estate markets, combined with imprecise valuation methods, results in major and unpredictable taxation shifts from one neighbourhood to another and from one property to another. It can create financial hardship for long-term homeowners whose properties happen to be located in hot market pockets. The impact is particularly onerous in urban and waterfront areas where real estate markets are widely divergent.

Representatives of all three political parties have recognized the need for more stability in the system for distributing property taxes. Prior to the recent election, both opposition parties were prepared, if elected, to introduce major reforms either limiting assessment increases or freezing assessments until property sale. The government in its 2007 budget introduced amendments whereby assessments would be carried out every four years, with increases phased in over the subsequent four-year period. While this will cushion the shock of a major increase, it does not, in our view, properly deal with the volatility inherent in the CVA-based system. In fact, by reducing the frequency of assessment, homeowners over-assessed due to inadequate sales data, inaccurate assessment or hot market conditions are stuck with that valuation for the next four years. This is of particular concern if real estate values decline, as they have south of the border and as many expect, and Ontarians are left for four years with high and distorted valuations.

In the 2005 assessment, 400,000 properties had assessment increases of over 20%, compared to the average Ontario increase of 12%. That valuation, which is the last valuation we had, covered a one-and-a-half-year period. We then had a two-year freeze on valuations which ended a few months after the election. As a result, the upcoming assessment covers three years, 2005 through 2007. In many parts of the province, real estate markets remained buoyant over that period. There is no question that there will again be a wide range of assessment increases, particularly in urban and waterfront markets, with a resulting shift of tax from one area to another and from one property to another. There will be huge distress, in our view, among Ontario's homeowners this fall when they receive their assessment notices. Seniors, whose numbers are growing, will be particularly

angered when they find themselves exposed to large and unpredictable tax hikes. This will be true with each new assessment now that valuations will only be carried out every four years.

Our organization, CAPTR, has commissioned a study in an effort to predict from an analysis of real estate markets the range of assessment increases which will be faced in 2008, this fall, by urban and waterfront homeowners. From data we have seen already, it's clear that there will be large disparities in valuation increases and these will result in major assessment-related tax hikes for countless thousands of property owners across the province. We will present that analysis to the finance minister in the near future in an effort to convince the government that further stabilization is needed now to protect property owners from major and unpredictable assessment-related tax increases in 2009.

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We continue to recommend that a limit be placed on assessment increases so that homeowners can forecast their property tax obligations over the long term. Taxpayers will still be faced with inevitable increases due to rising costs faced by municipalities, but can work through local governments to attempt to keep those at a reasonable level. What is hugely unfair, in our view, is to find your tax bill escalating without selling your house, without any additional income and without any additional services because MPAC has decreed that, over the past few years, your property has jumped in value by 40% while one a few blocks away was only up 20%.

Throughout North America, some form of market value assessment is used broadly as a basis for distributing property taxes. We do not suggest that Ontario move to some entirely new system; what we do believe is that the market value system requires a degree of stability. This has been recognized in some 20 jurisdictions in the US and Canada which have shown leadership by limiting either assessment increases or tax increases. There are plenty of precedents, and they are well known to the government. We also believe that limits to assessment increases will protect homeowners at all value levels. They will not, as some will argue, benefit the wealthy at the expense of lower-income homeowners.

In conclusion, CAPTR will continue to push for an equitable property tax regime in Ontario. We believe the situation is urgent with the next assessment notices arriving this fall. We will share our market analysis with the government and make every effort to bring greater stability and fairness to the system on behalf of our coalition members and all Ontario homeowners. Given that Ontario has among the highest property taxes in the Western world, a fair system for distributing the tax load is essential. It is our hope that this committee will recommend to the government that it take immediate steps to stabilize the property tax system. Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the NDP. Mr. Prue.

Mr. Michael Prue: Thank you very much. Good to see you again, Bob.

Mr. Bob Topp: Nice to see you, Michael.

Mr. Michael Prue: You didn't deal with this at all, but it is a huge concern: We have the highest property taxes in the world in Ontario. That may be a shock to some of the new members on the government side, the reason being that so many of the services of Ontario have been downloaded to the municipalities and to the property tax system. Would you recommend that the government upload those services which have nothing to do with the property tax, such as welfare, public housing, health, child care? The list goes on.

Mr. Bob Topp: Absolutely we would. We've left it out of this presentation because we wanted to focus, and we've tried to over the last couple of years, our efforts on the specific area that we talk about here: the distribution of the tax load.

Clearly, if taxes are lower, all Ontarians who happen to own property will benefit. Our concern in focusing there, Michael, with uploading, is that the Association of Municipalities of Ontario has stated that they need to get those things out of the property tax base so they can put things in there that are essential to maintain infrastructure and cover other costs that they see are growing. So we're not sure that even if the uploading is completed, we'll see a significant decline in municipal taxes for the average taxpayer.

Mr. Michael Prue: The second question relates to a statement you've made here, and I believe you're correct: "We also believe that limits to assessment increases will protect homeowners at all value levels. They will not, as some will argue, benefit the wealthy at the expense of lower-income homeowners." I remember, in the last government, several of the ministers standing up and saying, "This will benefit Rosedale, not Rexdale," when suggestions were made either to cap, which the Conservatives said, or to eliminate until time of sale, which was the NDP position. Can you explain a little bit further what you mean, that it will not benefit the wealthy at the expense of lower-income homeowners? I think there's some reluctance on the government side to believe that.

Mr. Bob Topp: We were puzzled with those comments, and they were made on a number of occasions by the former finance minister and others, because our analysis shows the exact opposite. In fact, if you look at the 2005 assessment, the lowest increase in Toronto—Toronto is divided up by district—was in Rosedale. That's just one assessment. We did an analysis which showed that the major beneficiaries of a cap would be homeowners with homes valued at under \$300,000.

If you own a million-dollar home and you are capped at 5%, you may save more dollars than the guy who owns the \$300,000 home, but do you save more if his saving is 10% and your saving is 10%? I think you have to look at that closely. I think a 10% tax saving to someone in a \$300,000 home is just as important to him as a 10% saving to the guy in the million-dollar home.

We're continuing to look at those numbers and we have a study being done independently at the moment and we're going to take another look at it, but from all

the data we've seen so far—and we asked the government for information to support the statement they were making and they were not forthcoming with that information. So I don't know where the analysis came from.

Mr. Michael Prue: Is there still time?

The Chair (Mr. Pat Hoy): One minute.

Mr. Michael Prue: In the minute that's still left, I'm particularly worried come September for people on fixed incomes, particularly the retired, who have purchased their homes, and find themselves oftentimes in a house that's worth many times more than what they paid for it and who simply want to live there until they die. That was their goal, that was their intent. Is there something else the government can do to make sure that people don't lose their homes through no fault of their own by escalating property values?

Mr. Bob Topp: I think it's a very good question, and if you look at the city of Toronto, where we happen to be right now, you see pockets in Toronto that have been hard hit and where a lot of seniors are living, where a lot of low-income people are living—Parkdale would be one example, and I've attended meetings out there—who are absolutely furious at the exposure that they have in this tax area. I think that a stabilization, a restriction or a limit on the amount of tax, on the amount the assessments can increase, and that limit put in place before assessment notices go out this fall, is what's needed to protect all people, including seniors—particularly seniors and low income. If they can look ahead and see that their assessment isn't going to go up by more than 3% or 4%, then at least they can figure out what their taxes are likely to be and take steps to protect themselves.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

CANADIAN FEDERATION OF STUDENTS-ONTARIO

The Chair (Mr. Pat Hoy): I call on the Canadian Federation of Students-Ontario to come forward, please. Good afternoon. You have 10 minutes for your presentation and there may be five minutes of questioning following that. Please identify yourselves for the purposes of our recording Hansard.

Ms. Jen Hassum: Sure. Hello, committee members. Thank you for agreeing to hear from the Canadian Federation of Students today. My name is Jen Hassum and I'm the Ontario chair of our federation. Beside me is James Beaton, who is our provincial researcher.

The Canadian Federation of Students represents over half a million students from across Canada, with 300,000 college and university students represented in Ontario alone. Today I'm here to discuss with you the state of our current post-secondary education system and the students within it.

We have also handed out our pre-election position paper, which contains policy and research, and a copy of my presentation today.

Today I'll be talking about three things, and I also have recommendations. They include: funding; tuition fees and system design. I will begin by reviewing why post-secondary education is one of the most important priorities for your government.

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More than serving as a critical tool for personal empowerment and social development, our post-secondary institutions also power Ontario's economy. Ontario receives 150% return on its investment in post-secondary education. Over 400,000 jobs are directly or indirectly tied to Ontario universities, and since over 70% of new listed jobs require post-secondary education, this number is going to grow.

Post-secondary education isn't an option for students any more, it's a necessity. The benefits are many on an individual and social level. Increasingly, a post-secondary education is needed just to obtain an average income. Productively employed, well-paid graduates not only hold jobs, but create jobs and economic opportunities for other Ontarians. The higher income of graduates provides increased funds for the provincial tax base that governments can use to support local and provincial government programs, which benefit all citizens.

But despite these important considerations, Ontario's funding for post-secondary education is the third-worst in Canada. This has resulted in some of the highest tuition fees and graduation debt loads in the country. For example, in the last 15 years, tuition fees have increased four times the rate of inflation. Graduates with mortgage-sized debt loads delay starting families and purchasing cars and houses, which not only diminishes their own quality of life, but this undermines Ontario's economic advantage.

The Reaching Higher plan, which was touted as the solution to years of government underfunding, will leave Ontario well below the national standard of funding by the time it runs out in 2010. In fact, according to the Council of Ontario Universities, once we account for inflation and enrolment growth, we are actually further behind under the Reaching Higher plan.

What are the results of this underfunded post-secondary system? They include increased fees, climbing student debt, bulging classrooms and deteriorating infrastructure. These are problems we still grapple with today even after Reaching Higher.

The Reaching Higher strategy for higher fees and higher student debt planned indefinite tuition fee increases of about 5%—the average. But the fees for some programs are going to be much higher than others. For example, some graduate programs and professional degrees will experience tuition fee increases of 36% every four years. International students continue to face complete uncertainty with indefinite tuition fee increases year in and year out under a deregulated system.

A significant portion of Ontarians are deeply concerned about the lack of opportunities available for themselves and their families under the current system. According to a recent Harris/Decima poll, 88% of

Ontarians think tuition fees should be reduced or frozen. The same poll revealed that two thirds of Ontarians said that lowering tuition fees and student debt should be the number one priority for the Ministry of Training, Colleges and Universities.

The Canadian Federation of Students looks to a two-level solution to stopping tuition fee increases. Luckily, the federal Conservatives have already begun to recognize the importance of taking this on as a serious issue. In the 2007 budget, there is an extra \$800 million for post-secondary education in the 2008 budget year; \$315 million will be Ontario's share. Taken on its own, this single injection from the federal government is enough to roll tuition fees back to 2004-05 levels next year. With this, we recommend creating a fee increase protection fund with this federal money, but we also think that Ontario can go a long way in helping out and should also contribute to the welfare of post-secondary education and the students within it by contributing to this proposed fund. In fact, we're calling on the Minister of Finance to ensure that any underspending within the Ministry of Training, Colleges and Universities is transferred into this fund. For example, according to last year's estimates, that amount would have resulted in \$100 million being contributed to that fund.

But tuition fees are not the only problem that students are facing. Ancillary fees constitute some of the fastest growing fees in colleges and universities. Between 1996 and 2004, college ancillary revenues jumped by 240%. Ancillary fees now make up one quarter the fees that college students pay. Unfortunately, some of these ancillary fees being collected are in direct contravention of the Ontario government's own binding policy. That is why there is currently a class action lawsuit against the colleges that has been launched by students which seeks to reclaim \$200 million of fees that were illegally collected from students and their families over the course of four years. Therefore, we call upon Ontario to offset this illegal stream of revenue by injecting \$50 million into the college system immediately and ensuring that government and college administrators adhere to their own binding policy.

Students across Ontario are also concerned about transparency and accountability in the government and the post-secondary education system. In other provinces, most notably British Columbia, implementation of generally accepted accounting practices has resulted in the inclusion of college and university fee revenue in provincial budgets. Students believe that there would be a number of advantages in adopting this practice in Ontario. One significant rationale is that it makes public institutions, which are regulated by the government in many different ways, accountable to the government itself through the budgetary process.

The federation also recommends a number of system design changes to improve the efficiency of our post-secondary education system. Credit transfer between institutions is very difficult right now, but there are almost no system-wide mechanisms for credit transfer between

colleges and universities. Increasing mobility between colleges and universities would establish clear pathways, thereby reducing costs for students by moving them through the system more efficiently and flexibly. In jurisdictions where credit transfer systems exist, savings for the system are realized by shorter times to completion for students. The federation estimates that improvements in credit transfer would save the system roughly \$100 million a year alone in government grants, just by allowing students to apply some of their credits to secondary degrees. The total cumulative savings to students is also rather large: according to us, \$40 million a year.

In summary, the current government promotes Reaching Higher as the most significant investment in education in over 40 years. While this new investment is welcome, Reaching Higher's impact fails to make up for the years of underfunding and will only bring Ontario up from second last in the country to the middle of the pack. We think that Ontarians deserve more than mediocrity. While our institutions are treading water and students are drowning in tuition fees and growing student debt—we've touched upon what needs to happen in this presentation. In reaching beyond Reaching Higher, we urge the committee and the government to listen to the message from students, who are the most experienced as activists: If you would like to be an activist government in addressing poverty, then your policies on post-secondary education must also challenge poverty by reducing tuition fees and providing equality of opportunity for all Ontarians.

We thank you for your time and we look forward to submitting our detailed written report later this month and to your questions following the presentation.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government. Mr. Arthurs.

Mr. Wayne Arthurs: I have a question, and there may be some other members of our caucus who want to ask questions as well, particularly on the commentary with respect to the federal government. I'm going to take it directly out of your presentation. You have "a two-level solution to stopping tuition fee increases. Luckily the federal Conservatives have already begun to recognize the importance of taking on this serious challenge. The 2007 ... budgeted for an extra \$800 million for post-secondary education in the 2008 budget year; \$315 million would be Ontario's share."

Do you really believe it was Jim Flaherty's intention, as the federal finance minister, in providing additional monies for universities, with a share of \$315 million for Ontario, that it be used for freezes or reducing tuitions, given Mr. Flaherty's fiscal—he'll call himself about the farthest-right fiscal conservative you're going to find. Do you really think this was his intention in providing additional money into the system: that it be used for freezes or reducing tuitions?

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Ms. Jen Hassum: I don't necessarily think that the tuition fee issue is an ideological issue. We have seen provinces under Conservative governments reduce tuition

fees, and I know as well as everyone else in the room that this is a provincial arena and so it is up to the provinces to decide how they are going to use those federal monies. So, really, it's in the name of post-secondary education but it is up to the members yourselves to decide how to invest it. We're recommending that you invest it in students to help with the current tuition fee increases.

Mr. Wayne Arthurs: Okay, so what you're saying is that you appreciate and recognize the federal government's engagement in the process. But in my words, I wouldn't think Jim Flaherty would be interested in tuition decreases or freezes as such.

That's really my one particular question. I understand what you're saying. I've put my children through college and university systems. Obviously, I shared responsibility, as much as families can do that with their children, to help support them on their way through.

The other thing I would ask: I'm particularly interested in the systemic changes you're talking about, and that's credit transfers, both between colleges and between colleges and universities. I'm not hearing much about credit exchanges between universities because they're such independent organizations when they're set up. But I know as a parent, when my kids were going through college and university—one has just finished recently—it would have been such a bonus if there had been a higher degree of capacity to move those credits around. It would have helped with the financial burden, because it would have meant that they could have spent a couple of years in one location and maybe finished off their degree closer to home, or started it closer to home and gone somewhere else to finish it, apart from the broad experience they might have gained, more so than they were able to achieve in the time they had. Do you want to comment a little more on the systemic issue of credit exchange or credit equivalencies, which I guess is in addition to an exchange strategy?

Ms. Jen Hassum: Sure. Basically, what we have been modelling our position on system design on is systems that exist in British Columbia as well as in Alberta, where every single post-secondary course is actually evaluated and therefore there is better flexibility and efficiency within the system if you switch from college to college, university to university, university to college and college to university. That way it eliminates duplication.

So often, students will complete a college degree or go midway, the same things with universities, and do an exchange. There shouldn't be any kind of duplication whereby, for example, a friend of mine who went to Algonquin College in Ottawa would then apply to Carleton University and the University of Ottawa. Her one sociology credit, which she obtained at Algonquin, was worth the equivalent of one sociology credit at the University of Ottawa but only half at Carleton. Why is there this sort of system, or lack of system, when what we could be doing is having a system much like that in British Columbia whereby quite often students will pay almost half the tuition fees and attend a college in their hometown for two years and then transfer to a larger

university institution to finish up the remainder of their credits?

It's not just a question of duplication and flexibility, but it's also an access issue, because students from more rural areas are six times less likely to attend a university than those who live in urban areas. Tuition fees are also a barrier, and student debt. Having the ability to pay half as well as to live at home in your own community, because a lot of community colleges are spread geographically throughout the province, we think would be a really good way to address some of these issues, through a credit transfer system.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO HOME BUILDERS' ASSOCIATION

The Chair (Mr. Pat Hoy): Now I would call on the Ontario Home Builders' Association to come forward, please.

Good afternoon. You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Brian Johnston: Mr. Chairman, members of the committee, good afternoon. My name is Brian Johnston. I am past president of the Ontario Home Builders' Association. I'm also president of the Monarch Corp. Our company has built more than 30,000 new homes and condos across Ontario since the company started building in the 1930s. In 2007 alone, our company sold over 2,000 houses and high-rise condominium units in Ontario. Monarch is a member of a number of local home builders' associations in the cities of Ottawa, Durham, Hamilton, Waterloo and Toronto. I also serve on the board of directors at the Taron Warrantly Corp. I am a volunteer member of the association, and in addition to my business and personal responsibilities, I am dedicated to serving the residential construction industry.

Joining me on my left is Mike Collins-Williams, who is the director of policy at Ontario Home Builders' Association.

The Ontario Home Builders' Association is the voice of the residential construction industry in the province. Our association includes 4,200 member companies involved in all aspects of the industry that are organized into 29 local associations across the province of Ontario. Together, we produce 80% of the province's new housing and renovate and maintain our existing housing stock. Our industry contributes over \$30 billion to the economy every year, which is over 5% of the provincial GDP, and is actually larger than the now-declining auto industry. I should also point out that beyond economics, shelter is of course a fundamental human right.

I know everyone here is interested in our members' viewpoint on the future health of the housing market in Ontario. Today I'm going to speak to you about the housing market and some of the challenges we face going

forward, as well as our recommendations for the upcoming provincial budget.

OHBA and its members are looking forward to what should be a fairly stable housing market across the province in 2008. The Canada Mortgage and Housing Corp. has reported 68,123 housing starts in 2007 and is forecasting virtually identical numbers for 2008. I should, however, point out that regions that have an economic base supported primarily by the manufacturing sector, such as Windsor and Oshawa, have experienced very significant declines in housing activity. Due to the strength in the resale housing market, which hit record highs of over 210,000 resales and an average price approaching \$300,000 per unit, we are once again expecting another very good year in the renovation sector. This certainly bodes well for Ontario's existing housing stock, which benefits from efforts to maintain and upgrade housing standards.

Let me talk to you about the housing issues that are on our minds and that we hope will be on your minds for consideration regarding the upcoming provincial budget.

The first point I should make with respect to the upcoming provincial budget is that the residential construction industry is not asking for any handouts or direct support, nor do we receive any subsidies from the province. In fact, we are one of the key drivers of the provincial economy and provide your government with billions in tax revenue to support programs important to our quality of life in Ontario.

The provincial government should be congratulated for running two consecutive balanced budgets. We are aware that there are many competing demands on the pocketbook of this government, and while it is difficult to make the choices, this government has done so. We take a sympathetic view to the province's concerns with regard to the federal-provincial fiscal imbalance when we see the province making hard choices. OHBA is doing our part to support provincial interests by advocating for Finance Minister Flaherty to loosen the reins on federal infrastructure funding for Ontario.

Our members are very concerned about potential harmonization of the PST and GST. The federal government has made it fairly obvious in their words and actions that the province of Ontario could address a portion of the fiscal imbalance and give a small boost to the manufacturing sector through a harmonization of these taxes. Meanwhile, we have heard loud and clear from Finance Minister Duncan that harmonization is not on the provincial agenda. I'm raising this issue with you today as we all know that the federal government has the fiscal means to make the province a very lucrative offer if it chooses to do so.

By way of background, let me tell you that in provinces where the GST and PST are already harmonized, costs have risen drastically, costs which ultimately are passed on to the home buyer in the form of higher prices. Since most inputs to housing are not currently subject to PST, inclusion of new housing at the rate established for other goods and services will increase the

effective cost of housing and be detrimental to housing affordability.

Mr. Flaherty says he thinks Ontario should embrace harmonization because it would offer some relief for manufacturers in the province. Our question is, should this come at the expense of the new housing and renovation industries? My recommendation to you here today is that the province should proceed with extreme caution when entertaining any schemes that will increase the cost of housing and add fuel to the fire that is the underground renovation business.

The second major housing issue which I would like to address today is infrastructure funding. The Ontario public, home-buying consumers and home builders across the greater Golden Horseshoe are encouraged by the bold Move Ontario 2020 transportation plan outlined by the provincial government. Ontario desperately needs this kind of vision, and the province made some initial investments in the fall 2007 fiscal update. Now it's time for the heavy lifting with additional investments, and we need to start seeing shovels in the ground soon for some of these projects.

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With respect to the municipal funding of infrastructure and the Provincial-Municipal Fiscal and Service Delivery Review, I have a couple of recommendations for you to consider. The residential construction industry was very supportive of the transfer of two cents of the existing gas tax initiative during the first mandate of the McGuinty government. We believe that this was a successful program to encourage additional investment in local transportation infrastructure. Outside the GTA, the province must continue to invest in water and waste water systems, support rural roads, support infrastructure in Ottawa, support the manufacturing sector by enhancing border crossings, and make the Niagara to GTA corridor planning and environmental assessment study a top priority.

The residential construction industry and our new homebuyers pay the capital costs related to growth through development charges while supporting the economy through both direct and indirect jobs and the tax revenue generated for all three levels of government. Our members are, however, gravely concerned that many municipal politicians have viewed new homebuyers as an easy target for additional taxes, levies and fees, while artificially suppressing property taxes to appease existing ratepayers. Homebuyers should certainly pay their fair share of growth, but they should not be a substitute for the general tax base.

There are a number of accountability and transparency issues with the current legislation, and I strongly believe that, despite the strong lobby from the municipal sector to open the Development Charges Act, the current legislation has served municipal finances very well. This is clearly evident in the very significant development charge increases homebuyers are facing on a near-annual basis in cities and towns across the province. Housing affordability and the fair taxation of new homebuyers

must be an important part of any future discussions we have on this issue.

The last issue I'd like to briefly discuss is that our industry worries about the broader economic climate that we operate in. The higher Canadian dollar has impacted Ontario manufacturers, and we are now seeing the fallout in the form of plant closures and job losses. Furthermore, the economic situation south of the border, triggered in part by a collapse of the housing industry, should be a major concern for all Ontarians. As an aside, OHBA is not predicting any of the American housing issues to spill over the border; however, our concern lies with the broader impact on the provincial economy. Quite simply, if you don't have a job or are worried about losing it, you will not be thinking about buying a new home. We won't presume to speak for this sector of our economy, but we would urge that the province listen carefully to the manufacturers when they are calling for change. There's no doubt they have to adapt, but the province must do what it can to facilitate this change.

Let me conclude by stating that our industry is fairly healthy today. However, the slowing economy and a number of government policies and regulations have had detrimental impacts on housing choice and housing affordability. It's in the best interest of all Ontarians that the provincial government work with us to ensure that the new housing and renovation industries continue to thrive and continue to support significant reinvestment in the programs that Ontario citizens deem to be the most important to them.

Mr. Chair, members of the committee, to summarize, the housing market should be fairly stable in the coming year. However, housing affordability is a continuing concern, and we need the upcoming budget to continue to invest significantly in transportation infrastructure.

I'd like to thank you for your attention and interest in my presentation, and I look forward to hearing any comments or questions you may have.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Ted Arnott: Brian, thank you for your presentation and for the advice that you've given this committee leading up to the provincial budget. We really do appreciate it.

You mentioned the issue of municipal infrastructure and the needs that exist in the province of Ontario. Certainly in my riding of Wellington-Halton Hills, we have a significant number of communities that have real infrastructure challenges that they need provincial support to meet, and we just don't have the local tax base that is necessary to complete the projects that we know have to be done.

You mentioned the sharing of the gas tax. As you know, the federal government shares a portion of its gas tax with all municipalities, large and small, yet the provincial government has chosen and seen fit to only share a percentage of the gas tax with larger municipalities that have transit systems. Would you agree with me that the provincial gas tax should be shared with

municipalities large and small, recognizing the smaller communities that have substantial and immediate infrastructure needs?

Mr. Brian Johnston: Not knowing 100% the philosophy behind the gas tax for large urban centres versus smaller ones, I can understand the philosophy of attempting to back transit systems in large communities. I suspect that the smaller communities are, if I can use the word, being ignored primarily because they don't have that lobby on their behalf. I would suspect that there's an argument to be made for smaller communities to have a portion of that tax as well.

Mr. Tim Hudak: Thank you for the presentation. It's always good to hear from the Ontario home builders.

One of the issues that we've talked about before is the affordability of housing. I believe that one of the most important Canadian values is home ownership. You mentioned the land use control policies that have come into effect. What are we seeing so far in terms of home affordability? What are you worried about the most?

Mr. Brian Johnston: I don't think there's any doubt that house prices in the province are moving ahead of inflation. As a developer in the industry, I often find it interesting that developers are very critical of government policy that slows the developer or the builder down. My general response is, as a developer, you're always complaining when you've got the land and you're having trouble getting it through the planning system, but as an industry, conversely or ironically, if you're a landholder, you benefit from a very tight planning system, and this province has a very tight planning system. I think that there's a broader philosophical issue that needs to be discussed, and that is, is a tight planning system in terms of housing affordability in the best interests of the residents of Ontario? I would tell you no. I can tell you that that's not the case. Our association is always working to try to reduce the red tape, recognizing that there is a necessary level of bureaucracy, but to some extent it's so excessive. I had one home builder tell me that we're the second most regulated industry in the country, and that is next to the nuclear power industry. I find that a little hard to believe, but that was just an example of the level of frustration you find with developers and builders. So that legislation is just one example of it.

Mr. Tim Hudak: Just in the interests of time, Chair, I have three last items, and I'll just ask them all at once.

First, thank you for the promotion of the Niagara-GTA corridor—very important to my constituents in west Niagara, Glanbrook and upper Stoney Creek, and I agree strongly.

There are two things you mentioned that I'd like you to elaborate on: first, the conservation authority encroachment you mention on page 23 of your report; secondly, you talk about the importance of the OMB enforcing new policies and plans against expected challenges to conformity exercises on page 21. Could you elaborate on those two? I know my colleague from Haldimand-Norfolk is concerned about what really

amounts to extortion payments on developments along the Grand River tract in the Caledonia and surrounding area that are impacting on your members.

Mr. Brian Johnston: I'll talk about the Grand River tract. I just find it ridiculous. I think that it's totally unacceptable. I agree with many observers that merely telling developers not to pay this fee is nowhere near what needs to be done with regard to that issue. I think that the province needs to get serious about it and take more aggressive action. It's all well and good to tell a developer not to pay the fee, but if they're having problems getting on to their land, if they're fearful for their own personal safety, if they are concerned about the taint that is being imposed upon their landholdings, I don't think that cuts it. I don't think saying "don't pay the fee" is anywhere near enough in terms of dealing with that particular issue.

What was specifically the question about conservation—

The Chair (Mr. Pat Hoy): You only have about 30 seconds left.

Mr. Tim Hudak: Conservation authority encroachment on development issues.

Mr. Brian Johnston: Oh, yes. It's a never-ending—my concern about conservation authorities is a lack of accountability. There need to be lines of authority within organizations so that we can actually talk to the conservation authority about what it is they want us to do, because sometimes they tend to run away with what it is they want, without any sort of lines of authority to do so.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee.

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ONTARIO NON-PROFIT HOUSING ASSOCIATION

The Chair (Mr. Pat Hoy): The Ontario Non-Profit Housing Association. Good afternoon, gentlemen. You have 10 minutes for your presentation. We certainly appreciate your being here in a timely way. There may be five minutes of questioning, and if you would please identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. Hugh Lawson: My name is Hugh Lawson, and I'm the president of the Ontario Non-Profit Housing Association.

Mr. Sharad Kerur: I'm Sharad Kerur. I'm the executive director of the Ontario Non-Profit Housing Association.

Mr. Hugh Lawson: Good afternoon, Mr. Chair and members of the committee. As I mentioned, I am the president of the Ontario Non-Profit Housing Association. I'm also the director of corporate planning and performance for the Toronto Community Housing Corp.

With me here today is Sharad, and he will assist with any questions that might exist at the end of the presentation.

Our association represents 770 non-profit housing providers in 220 communities across Ontario that range in size from four units of rental housing to 58,000 units. ONPHA members operate more than 160,000 non-profit housing units and provide housing for approximately 400,000 people, such as the elderly, low-income families with children, the working poor, victims of violence and abuse, people living with developmental disabilities or mental illness, and the homeless and hard-to-house—so a wide range of people.

At the outset, let me say how pleased we are to see issues related to affordable housing and a commitment to poverty reduction finally taking a priority position on the government's agenda. In fact, we believe that while these issues are largely regarded as being social in nature, they play a critical role towards the continued improvement of Ontario's economy and its position on the global stage. It's not hard to understand, and many studies have borne out, that safe, decent, affordable housing and reduced poverty promote healthy communities, provide better-educated children and result in a more prosperous society.

Over the course of the next four years, this government has committed itself to the goals of a provincial poverty reduction strategy and an affordable housing strategy that includes a mix of non-profit and co-op housing. We recognize that it will take time to develop these concepts into workable and measurable targets, indicators and programs. But we, along with our sector colleagues, are already working on ideas to assist the government in meeting its goals and look forward to the consultation processes where we can discuss these ideas in detail.

But today, with the more immediate focus being on the upcoming 2008 provincial budget, our members would like to table with you three areas where we believe the government can take immediate action; namely, fixing social housing that is in dire need of capital repair, funding an extension to the current affordable housing program, and providing a housing allowance program for special priority households that are in need of emergency housing.

On the capital repair front, there is little doubt that social housing is indeed a public asset, and, as with any asset, the primary public objective must be to protect and preserve the existing investment, which is valued in the billions of dollars. To do otherwise means having to deal with a replacement value for the 250,000 existing social housing units in Ontario of between \$25 billion and \$30 billion.

This is an urgent issue. Any further delay only increases the overall risk that society will ultimately pay for the delayed maintenance. In fact, during the most recent election, all three parties recognized the issue and committed to making this issue a priority.

As a result, we recommend that the 2008 budget commit to a loan facility that would leverage at least \$1 billion worth of capital needed to address the repair and regeneration needs of the social housing sector in Ontario, with the first target of the facility being the former

public housing stock which has reached an age of 40 to 60 years old. This housing is consistently being assessed as the most vulnerable and in need of emergency repair and regeneration and comprises nearly 40% of social housing stock in Ontario.

We support the creation of such a facility and to have it administered through the Social Housing Services Corp., which is already legislatively mandated by the province to administer and manage social housing financial programs. Likewise, a long-term capital planning program for the dedicated supportive housing portfolio administered by the Ministry of Health and Long-Term Care and the Ministry of Community and Social Services should also be put into place, as these supportive housing units are key community assets that similarly need to be maintained in a state of good repair.

It is important to note that the actual annual cost to the government would be the annual cost of forgiven interest and principal, not the full value of the loans themselves, and that what we are requesting is for the government to help the housing sector meet the gap between the financial resources they currently have and the financial resources that are needed to bring the housing stock to a state of good repair.

Given the time-consuming nature of capital repair projects, this program would ramp up slowly. We also believe it could be structured so that the annual cost to the province of forgiven payments over the next five years would be in the tens of millions and not the hundreds of millions that is commonly believed.

Our second request is that the provincial budget include funding to extend the current affordable housing program as the government begins its consultations on the affordable housing strategy and poverty reduction strategy. The government made great strides during its previous mandate to re-enter the housing business by signing the Canada-Ontario affordable housing program agreement in April 2005. Since that time, a number of new units of affordable rental housing have been or are about to be developed. More importantly, momentum and sector capacity is being rebuilt.

But if there is one thing history has taught us, it is that the on-again/off-again program environment and the ever-changing administrative and legal requirements around housing programs constitute a serious obstacle to the provision of a steady state for affordable housing, especially non-profit housing. An unpredictable and ever-changing environment prevents the system from learning and retaining expertise. This is the crux of the capacity-building challenge we hear so much about.

Third, for this budget we recommend that an emergency housing allowance system be developed to provide financial assistance for special priority households in emergency need of housing. This would additionally help take pressure off the existing chronological waiting list system. It's well known from documented studies that the gap between income and housing affordability is widening. It's therefore not surprising that other studies show that the number of people on social housing waiting lists is high and the wait times are long. These factors,

taken together, show a high demand for affordable housing and a limited, if not shrinking, rental supply. Contributing to this problem is the provincial rule that special-priority households, notably victims of violence, are added to the waiting list in such a way that neither their emergency needs nor those of others who have been on the waiting list for years have a chance of getting the housing they need. We suggest that an emergency housing allowance system would enable priority households to get the housing, whether social or market, that they need immediately so they can separate from their abuser. This would then permit the provincial rule on the waiting list system to be lifted. Such a change to the system would introduce more fairness and transparency to the allocation of social housing spaces while still ensuring a fast response system for high-priority applicants.

Finally, our association also wants to encourage the government to pay strong heed to the recommendations of the Campaign 2000 group, as they are essential to meeting the goals of this government. As an association we strongly support their recommendations for an effective poverty reduction strategy, including increasing the minimum wage to \$10.20 per hour in 2008, strengthening the social safety net by permanently indexing social assistance rates to inflation along with a double-digit increase in rates for 2008, and investing provincial funding in early learning and child care services and affordable housing.

We have also, in our written brief, made a number of other suggestions on courses of action the government should be mindful of. These essentially form a road map and game plan over the next several years towards utilizing the community-based housing assets we've all contributed toward over many years to help shape our province for the betterment of all Ontario citizens.

Thank you for the time to speak today.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the NDP, Mr. Prue.

Mr. Michael Prue: Thank you very much. I'd like to start with the \$1 billion that's needed for repairs. You categorize it as a loan.

Mr. Hugh Lawson: Yes.

Mr. Michael Prue: Is this a repayable loan by the municipalities? By the housing corporation? By the people who live there? Who would repay it?

Mr. Sharad Kerur: It would essentially be a forgivable loan. The housing sector needs about \$1 billion to \$1.5 billion worth of capital to be able to effect repairs. There are two categories of repair that are needed. One is for the old public housing, where there are in fact no reserves, and the other is for the non-profit and co-op housing assets where there are some reserves, but over a period of time these reserves will dwindle and can't be replenished at a regular rate. So what we're looking for is for the provincial government to actually provide, in partnership with municipalities and non-profit and co-op providers, a filling of the gap between what is needed to fix the housing stock versus what's already there, over a period of, we assume, between 10 to 15 years.

Mr. Michael Prue: All right. Just so everybody understands this: Over 10 to 15 years, the money would be given, but the repayment of that would not necessarily happen. Some of it is forgivable; the province would just simply pay.

Mr. Sharad Kerur: The province would essentially pick up a portion of the interest cost and the principal cost, while non-profit providers would in fact pay a portion of the capital repair costs up front in terms of what they have available in their capital reserves. Municipalities, on the other hand, would still be responsible for providing subsidies under the Social Housing Reform Act subsidy formula, which includes providing a capital reserve contribution under the operating subsidy.

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Mr. Michael Prue: There are some who would argue—not me—that the housing that was downloaded is now a municipal expense; it's now the responsibility of the municipality. I believe that the province has an obligation to pay, because of the way the housing was downloaded in very poor condition and foisted upon the municipalities. What's your position?

Mr. Hugh Lawson: Our position is that the province needs to assist in terms of tools to make it possible for housing providers to do this and for municipalities to do this. The tools are things like the capital facility that would allow us to access funds that we can't access right now. We're limited in what we can do given the rules that were set in place. This would make a great deal of difference because we do need access to a significant amount of capital funds.

Mr. Michael Prue: Would it make any sense at all for this to be uploaded, for the province to take back the whole role of social housing? The province has a lot more money than municipalities and a much easier way of getting money, i.e., from taxes of various types as opposed to just the property tax. Does it properly belong back with the province?

Mr. Sharad Kerur: Let me answer that. There's a two-part answer to that. First of all, one of the things that has been of benefit in terms of the download to municipalities is the fact that the administration can be far more responsive to local community needs in a much faster way. So that's been a positive thing. The negative thing is the fact that a lot of the housing—in fact, all of the housing is financially responsible on the property tax base, which is the bad side of the equation.

We think that what is needed is rather than dealing with the whole uploading issue, both the funding and administration, if the provincial government were to assume the costs of those components of the housing file that touch on income redistribution, that would go a long way in terms of being able to sort of right-size the boat. In effect, I think what we're looking for is for all orders of government to take a role and a responsibility on the housing file in Ontario.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

CANADIAN ASSOCIATION OF ACCREDITED MORTGAGE PROFESSIONALS

The Chair (Mr. Pat Hoy): Now I call on the Canadian Association of Accredited Mortgage Professionals. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Jim Murphy: I'm Jim Murphy, president and chief executive officer of the Canadian Association of Accredited Mortgage Professionals, or CAAMP, as we call ourselves. CAAMP has over 11,000 members across Canada, with over half here in the province of Ontario. CAAMP represents all facets of the mortgage industry including lenders such as banks and credit unions—which are regulated provincially, as you know—mortgage insurers, title insurers, and mortgage brokers and agents. CAAMP has also established the accredited mortgage professional, or AMP, designation as part of our ongoing commitment to increase the level of professionalism within Canada's mortgage industry through the development of educational and mortgage standards. Over 3,500 of our 11,000 members have their AMP designation.

For the purposes of this afternoon, I would like to address three issues: (1) the state of the residential mortgage market, both nationally and here in Ontario; (2) an overview of new legislation in the province that's affecting the mortgage brokerage industry; and (3) comment on tax policies affecting the housing industry.

The past year has been full of media stories on the mortgage meltdown south of the border. It is important to note that this is very much a US story. Subprime mortgages in the US account for roughly 20% of all outstanding mortgages, while it's much less here in Canada. They also have a very large preponderance of what are called adjustable rate mortgages, or ARMs, that reset after a certain period of time. The consequence for millions of American households were and are, as we read every day, rising rates all within an environment of actual declines in US housing prices, the first time in a generation. The resulting credit crunch has had an impact here in Canada, there's no doubt. There are fewer lenders offering products because of the risk that many investors now associate with certain mortgage products. It's important to understand that Americans, generally speaking, securitize their mortgages, which is, they sell their mortgages to the market, and investors are obviously looking at what that investment is these days in terms of the increase in foreclosures, the increase in arrears rates.

It's important to note that in Canada our situation is different. Our subprime, or as we describe it, alternative lending market, is much smaller at 5%, we do not have the degree of ARMs or teaser rates that reset after a certain period of time and our arrears rates continue to be at record lows. Our underwriting guidelines that are used by lenders are much more thorough and we continue to see, including here in Ontario, rising real estate prices.

Research CAAMP has undertaken, a copy of which you have in your packages that were distributed, shows that at the end of August 2007 there was nearly \$800 billion in outstanding mortgage credit in the country, of which nearly half was here in Ontario. During the past two years, mortgage credit has increased by an average of \$77 billion, or over 11% per year. Our survey also shows that a majority of Canadians, some 80%, remain happy with the terms of their mortgages, thanks in large part to good interest rates and new mortgage products such as longer amortization rates. Our industry helps Canadians and Ontarians meet their dream of home ownership.

The second issue I want to talk about is the new legislation, Bill 65. The tremendous growth of our industry is reflected in the passage of new legislation that will govern the mortgage brokerage industry in Ontario. Mortgage brokers and agents in Ontario account for roughly 30% of all mortgage transactions in the province. Bill 65 is the first rewrite of the act in some 40 years and reflects the growth and changes that have occurred in the mortgage industry. The overall intent of the legislation and one CAAMP supports is to increase professionalism in the industry by raising the bar on several important standards such as licensing and increased and enhanced education requirements. All of these will directly benefit consumers.

Recently—last week—the government released the final set of regulations under the legislation. They are important and cover such issues as enhanced disclosure, cost of borrowing, licensing, and mandatory errors and omissions insurance coverage, among other items. We will be responding to the draft regulations in due course. The government today announced an extension in the comment period on that by three weeks.

CAAMP congratulates the government on its openness and accessibility when drafting the legislation and the regulations. They have listened and they have consulted extensively. It has proven to be a very good process. I'd just acknowledge Mr. Arthurs as the parliamentary assistant to the minister—both the former minister and the current minister—for his availability and his response to these issues.

Mr. Tim Hudak: He should be the minister, if you ask me.

Mr. Jim Murphy: What's that?

Mr. Tim Hudak: He's due for a promotion.

Mr. Jim Murphy: Based on our legislation, absolutely.

Finally, let me address the second CAAMP report in your packages, the paper entitled *The Perils of Non-Indexation—Three Tax Policies Affecting Canadian Housing Markets*. The paper reviews three tax policies that impact on purchasing a home by consumers: the federal GST, which is applicable on new housing; the federal RRSP homebuyers' plan, which allows first-time buyers to access \$20,000 from their RRSP plan for a down payment on a home; and provincial land transfer taxes, where they exist. They don't exist in all provinces.

In short, CAAMP advocates the indexation of these three tax policies. Provincially, in Ontario, this means that the land transfer tax schedules should be indexed annually. Ontario has a graduated schedule where the first 0.5% is paid on \$55,000 of the purchase price of a home or condominium, 1% on the amount from \$55,001 to \$250,000, 1.5% on the amount from \$250,001 to \$400,000 and a flat rate of 2% on purchase prices above the \$400,000 threshold. This schedule has not changed since the early 1990s. As a result, the province has gained more and more land transfer tax revenue as prices on homes increase, to the point today where the province of Ontario takes in excess of \$1 billion from land transfer tax.

CAAMP acknowledges the recent extension of the land transfer tax refund to all first-time buyers in Ontario in the recent economic statement in the fall, and not just to those who purchase new homes but to resale homes. However, Ontario's refund program is still less generous than British Columbia's, where first-time buyers receive a refund for homes priced up to \$375,000, while Ontario's maximum refund of \$2,000 equates to a home or condominium priced at \$227,500.

The overall schedule should be indexed each year, as it is done for personal income taxes. We recommend indexation should also be done for the federal tax policies, both the GST and the RRSP homebuyers' plan, to reflect rising prices. This is particularly true in the city of Toronto, which will be hit by a second land transfer tax next month. These are one-time, upfront costs that will have a large impact especially on first-time homebuyers at closing.

Thank you for your time. I would be pleased to answer any questions you may have.

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning goes to the government.

Mr. Bruce Crozier: Good afternoon, Mr. Murphy, and thank you for coming to our pre-budget hearings today. We're pleased to have you here.

I want to note a couple of things. You did mention Bill 65 and the first revision in some 40 years, and we want to thank you and your organization and others for participating in leading up to that new legislation. If there are any other comments you'd like to make about that, I'd be pleased to hear them.

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We've heard a lot, of course, about the subprime lending in the United States. Anybody who reads or listens to the media would have some appreciation for the problem they've had there, and I'm pleased to hear that that is a much smaller part of the mortgage market in Canada than it is in the US. Perhaps you could just tell me how that happened, whether it was coincidental or whether it was planned.

Secondly, this morning it was mentioned that a significant amount of that subprime lending or borrowing was to pay for non-insured medical expenses. I wonder if you've heard that. That then makes me ask the last

question: When people do access the subprime market, or the other term that we had here, is that oftentimes to cover other kinds of expenses?

Mr. Jim Murphy: Thank you very much for your comments in regard to the legislation, and we will be responding in the next couple of weeks. I think we're almost there in the regulations. There are a couple of issues that the government has reviewed and, from our perspective, responded favourably to. We're still in dialogue on a number of issues in the regulations. As they say, in legislation, the devil is always in the regulations, but the government and the minister's office and the parliamentary assistant have been very open to input.

Subprime deals with credit and somebody's credit-worthiness. If somebody has poor credit but a good income, they usually can qualify, and that's very common in the United States. There are many reasons in the US why subprime was 20% of the market and it's only 5% here. Part of that are some of the tax policies in the US. You can deduct your interest on a mortgage in the US but you can't here in Canada. Canadians are much more conservative. For example, interest-only mortgages are much more common in the US than they are here in Canada for that very reason, from a tax policy perspective. I think Canadians are just much more conservative. Americans tend to securitize their mortgages. Americans sell their mortgages, so they will package mortgages. We just heard about Countrywide, which is the largest lender in the US. It was just bought by Bank of America. Countrywide is the largest mortgage provider in the US. It would securitize its mortgages; it would sell its mortgages. It may go to a bank in Germany, it may go to a hedge fund in Singapore, and they would buy that. For Canadians, because of the position of our banks, usually mortgages show up on your income statement, so it's not securitized and they're not necessarily sold.

What happened, of course, is that these low introductory adjustable-rate mortgages, these teaser rates, reset after a year or two. Some people who should never have been in the home ownership market have seen increases from 6% or 8% up by 2% or 3%, and they're just not able to make those payments. As a consequence, your arrears or default rate rises, and now the big issue in the US, of course, is foreclosures, and we're seeing many municipalities and communities devastated by that increase.

That's not the case here. Our arrears rates are low. We have seen some trends in terms of people refinancing their homes. They do see the rise in value within their home, and so they will take the opportunity to refinance, and home equity loans and those sorts of things have become much more common. So we are seeing some of those trends.

In terms of all the new mortgage products that have been introduced in Canada in the last couple of years, the most favourable, or the one that's been taken up by the population or the consumer, home buyers, is the longer amortization, which is an important issue because it speaks to affordability. A longer amortization of 30, 35 and 40 years on your mortgage means that you have

lower payments upfront, but you pay much more over the term of the mortgage in terms of interest. We did research in the report that I provided to you that shows that 37% of all mortgages taken out in Canada last year were more than 25 years in terms of amortizations. That's a huge trend and a huge change within the industry, but it speaks to the affordability and people wanting to get into the home ownership market and build equity.

The Chair (Mr. Pat Hoy): Thank you for the presentation.

Mr. Bruce Crozier: Some day, we'll talk about reverse mortgages for folks who are my age.

Mr. Jim Murphy: That's covered in the legislation.

Mr. Tim Hudak: I just wanted to note for the record, Mr. Murphy, you missed a chance to tell Mr. Crozier he has many years before he has to start worrying about those types of things.

Mr. Murphy, you brought up an important point about indexing the land transfer tax, as well as the LTT refund. I wonder if research could get back to committee, telling us what that would be under a standard inflationary measure today, an inflationary measure for the housing sector in particular. I know it's a bit of a task to decide on that measure, but I'd be interested to see what those levels would be now that we are 12 or 13 years down the road from that implementation initially. Again, to make sure I'm clear, Chair, it's on the land transfer tax schedule, the inflationary impact on what it would be today if it had been indexed, and then secondly the LTT refund, similarly, if it had been indexed.

The Chair (Mr. Pat Hoy): Have you got that?

Ms. Carrie Hull: Not quite.

The Chair (Mr. Pat Hoy): You can chat with research, but that would be all right, to move forward on that.

Thank you.

CALEDONIA CITIZENS' ALLIANCE

The Chair (Mr. Pat Hoy): For the committee, I'm advised that our 3:30 presentation is ready to present and is seated: Caledonia Citizens' Alliance. Sir, we appreciate you being here early. If you would identify yourself for the purposes of our recording Hansard, and you will have 10 minutes for your presentation and five minutes for questioning following that. Go ahead.

Mr. Frank Stoneman: Thank you very much. Good afternoon, everyone. My name is Frank Stoneman, and I am the co-chair of the Caledonia Citizens' Alliance.

The Caledonia Citizens' Alliance is a group of Caledonia and area citizens who have informally and voluntarily responded to the illegal First Nations occupation of the Douglas Creek Estates development. The alliance functions as a voice and advocate for recovery and renewal for the community, businesses, households and service clubs by providing information, support and planning.

On February 28, 2006, a group of protesters from the Six Nations Indian reservation stopped construction on a 600-home residential development in Caledonia called Douglas Creek Estates. The group declared that the land was never legally surrendered back in the 1830s, despite the fact that the federal government has a legal and court-proven valid surrender from that period in time. The developer sought and received a court order to remove the protesters on March 26, 2006. An attempt was made by the OPP to remove the protesters. The result was a violent confrontation, which has been followed by numerous violent confrontations between Six Nations protesters, police and local residents. The province ended up purchasing the property from the developer and is now holding it in trust until a time when the protesters leave the land through negotiation.

Last year when the alliance made a presentation to the provincial pre-budget consultation committee, we made several recommendations that would ensure that Caledonia and Haldimand county would remain viable, sustainable communities. We told the government that Caledonia is growing weary in its role as collateral damage, and we asked for assistance to keep businesses open, to assist residents in dealing with an unfair and unwanted situation, and to resolve the duty-to-consult issue up and down the Grand River valley/Haldimand tract. While there have been some efforts made by the province to relieve the pain of Caledonia residents and businesses, the truth is that it simply hasn't been enough.

In the past year, over 15 businesses have closed, downsized, been placed up for sale or relocated since the occupation began. Some of these businesses, like the Oasis restaurant in Caledonia, have been tourist destinations for over 80 years. However, with tourists afraid to come to Caledonia due to the possibility of a violent eruption from the protesters, tourism-based businesses have suffered tremendously. Other businesses have downsized due to the domino effect of the lack of tourism, resulting in layoffs. The area's largest manufacturing employer, Georgia-Pacific, recently announced layoffs that affect employees with over 20 years of seniority. Job losses are mounting, and there are no prospects of new businesses opening to replace these jobs.

We warned the government that with real estate values in southern Ontario forecast for the next year to increase by almost 10%, real estate values in Caledonia would either stagnate or go into decline. Just recently, this month, the Realtors Association of Hamilton-Burlington reported that the average price increase for residential properties for 2007 is 7.4%. Caledonia may be the only place in Ontario that saw a decrease in the average home resale price over the last year. Houses that have been on the market for over a year have dropped their prices an average of 5% to 10% with no results. When municipal assessments become unfrozen, it is likely that residents who saw their resale property values drop by 10% to 25% may see increases in their market assessments of 10% to 15%. This is particularly frustrating because residents did not ask to be put in this situation, nor do

they want it. This frustration leads to anger, and anger does not help in relieving tensions. We are asking for the province to assist these residents while the occupation is ongoing.

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We also ask for assistance for the municipality to help with infrastructure costs related to the illegal occupation. We understand that the province is working with the municipality on this; however, the preliminary information shows that the monies coming from the province are slated to be spent on areas outside of Caledonia, such as heritage lighting for Dunnville. Our municipality is looking at economic recovery funds earned on the backs of Caledonia residents and businesses being spent in areas of Haldimand county other than Caledonia. While all of Haldimand county has suffered due to this illegal occupation, Caledonia has carried the brunt of that suffering. It needs the most attention, and needs it immediately.

We also ask for an expeditious resolution to the duty-to-consult issue that has paralyzed development in Haldimand county. We warned that without expeditious resolution, the problem would spread to other municipalities and development will stop up and down the entire Grand River valley. Since then, we've seen the emergence of the Haudenosaunee Development Institute, otherwise known as HDI. HDI is the development arm of the Six Nations confederacy, and they've been busy contacting developers up and down the Grand River asking for development fees and royalties, which will allow the contractor to proceed with a project without the threat of an occupation stopping the project. The emergence of HDI has caused potentially new hotspots, such as the Edwards landfill site in South Cayuga and developments in Brantford, Hagersville, and Dunnville. They operate without regard to Ontario's land title registry. Even though the Premier has gone on the record to say that HDI has no legal standing in the development community, when these protestors show up at developers' projects, there is no law enforcement agency in the province that has the courage to stop them from stopping the development. If the HDI has no legal standing in the development community, why are law enforcement agencies reluctant to enforce the laws of this province when they try to extract money out of developers who have provincially guaranteed land titles?

This new issue ties directly back to the duty-to-consult issue. The developers in this province need to know that the province stands behind the land registry system, and that the province is willing to stand by their commitment to the development community. The province must clarify the role of HDI and then back those words with actions that will allow developers to develop without the threat of an illegal occupation putting them out of business.

Since we last presented, some new issues have emerged. The by-product of the occupation has been an increase in illegal tobacco retailers setting up shop on public and private lands. In fact, one of these illegal tobacco retailers is set up on land owned by public

infrastructure renewal. Today in the Hamilton Spectator, it was reported that over \$72 million has been lost in the last 18 months due to illegal tobacco trades. This is tax money that doesn't even reach the government coffers. We're asking that the government step up to the plate and put some teeth into the tobacco laws, and ask for some enforcement.

We've also seen an increasing feeling of resentment towards the Ontario Provincial Police. We understood that, regardless of who policed Haldimand county prior to the occupation, the OPP would be involved. However, we feel that a local force would have been a point of checks and balances with respect to the strategy of the OPP. We support Haldimand County Councillor Craig Grice's motion for the municipality to investigate the establishment of a Haldimand police force, and are asking the province to assist in the funding of a local police force in Haldimand county.

However, the biggest issue facing the local businesses and residents in Caledonia is the rehabilitation and reconstruction of the Argyle Street nine-span bridge over the Grand River. The bridge is emblematic of the local community, joining one side with the other. The bridge is the only thing that connects the south and north sides of town. The south side of Caledonia contains most of the residential and retail activities, while there are also some residential and retail activities on the north side. Having the bridge reduced to southbound traffic only during this time is going to put more pressure on our already struggling businesses. Even if some of the businesses survive this rehabilitation project, the bigger issue comes in 2014, when the bridge is scheduled to be demolished and replaced with a steel structure. This will effectively cut off the north- and south-side residents and businesses from each other, and this will be like that for up to two years. The possibility of implementing a daily bridge solution is complicated due to traffic patterns and street design and very difficult to implement in the winter when there is ice on the river.

There are alternative solutions available that can address the long-term growth strategy and reduce the impact on the local economy. We are asking the province to assist in the funding of a second in-town bridge that crosses the Grand River. We are hoping that this new bridge could be built to the east of the existing bridge a few kilometres downstream from the existing bridge. This bridge would accomplish several things. Firstly, if it is in place before the reconstruction starts in 2014, it would probably save at least 40 businesses from closing their doors. Secondly, if this new bridge is designated all for truck traffic, it would make keeping the existing bridge open an option. A rehabilitated nine-span bridge with strict restrictions on truck traffic would preserve one of Caledonia's identifying features and keep a link to our past. If there is to be growth in Caledonia in the future, we are asking the province to encourage and assist in the exploration of building a second bridge over the Grand River in Caledonia.

The Chair (Mr. Pat Hoy): You have about a minute left before questions.

Mr. Frank Stoneman: Well, that's just fine, because I would like to thank you for your time, and I'd be willing to take some questions now.

The Chair (Mr. Pat Hoy): Very good. That's why the brief with me would help me out and I wouldn't look so bad in front of you when I tell you you have a minute left.

This round of questioning goes to the official opposition.

Mr. Tim Hudak: Thank you very much, Mr. Stoneman. I know my colleague Toby Barrett had hoped to be here. I think, because of the change in the schedule with a couple of groups missing their presentations, you're earlier than you would have been. So I know he regrets he's not here to ask you questions. You may know I'm in a neighbouring riding. I'm just to the north end and to the east of you.

Talk a little bit and expand on the HDI. In my observation, it's basically extortion on local builders. You asked for the role to be clarified. Clarify what? There's no real legal standing for this group to collect revenues, is there?

Mr. Frank Stoneman: The Premier has gone on the record to say that this group has no legal standing. However, when developers are faced with 40 people showing up and shutting down their construction site because they're not paying development fees and royalties to the HDI and the Ontario Provincial Police stand by and watch, we have to really question if those words are meant. Actions speak louder than words, and developers all along the Haldimand tract are suffering because the Premier says one thing but will not enforce those words.

Mr. Tim Hudak: Can you give a couple of examples of what has actually transpired because of this inaction by the Premier?

Mr. Frank Stoneman: Absolutely. There is a development in Brantford run by Mayberry Homes that has had several visits from the HDI. He refuses to pay to the HDI their extortion requests and has been shut down numerous times for multiple days and put himself behind schedule. Meanwhile, he cannot find a law enforcement agency in this province to enforce extortion laws.

Mr. Tim Hudak: I appreciate your explaining that. I worry that because it's happening outside of the Toronto area a lot of folks don't know that this is happening in the province.

Mr. Frank Stoneman: That's true, and we really believe that if this was happening in the Toronto area, it wouldn't be happening for long. It certainly wouldn't be going on for two years.

Mr. Tim Hudak: The tobacco trade is a concern, I know, in my riding. It's moved from urban legend to commonplace, with cigarettes being sold out of trunks to high school kids. They probably have better access to tobacco products at a cheaper price than they've had in some time. How is this related to the concerns that the citizens' alliance has?

Mr. Frank Stoneman: Well, it's a symptom of Douglas Creek Estates and also part of a bigger problem. In today's Hamilton Spectator, Minister Duncan wasn't aware that \$72 million in lost tax revenue has gone out the window because of the sale of illegal tobacco. That's a province-wide problem. Our localized problem is that illegal cigarette retailers are setting up on private and public lands without the permission of the owners and they're no longer being inspected by the federal government, as per a letter sent from federal health minister Tony Clement to Mayor Marie Trainer that indicated that federal inspectors no longer go on the reserve to inspect compliance with the Tobacco Act out of fear for their safety.

Mr. Tim Hudak: I know there are concerns of constituents in my area too in terms of trade-offs to settle the situation in Caledonia. Provincial parks, for example, would be put up and transferred to Six Nations or the confederacy. My constituents largely have viewed this with great concern, about what's going to happen with these duels like we have in Dunnville and in the Niagara area. Have you been kept in the loop on these conversations? What do you know about these land trade-offs?

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Mr. Frank Stoneman: Information is tough to get on this situation. We really have to poke and prod, and we attend many meetings to try to collect as much information as possible. However, the residents and businesses of Caledonia are being relatively kept in the dark regarding the status of negotiations, what's being offered. We really only pick up information from the media. We've found over the last two years that this situation has been ongoing, that the media isn't exactly a credible source for information.

Mr. Tim Hudak: We are now hitting the three-year anniversary of the occupation of Douglas Creek Estates. It's at the end of February, if I'm right.

Mr. Frank Stoneman: Yes, February 28. That's correct.

Mr. Tim Hudak: What signs of progress have there been in the negotiations? What has changed in the last now going on three years?

Mr. Frank Stoneman: We've seen no tangible evidence that there has been any progress in the negotiations. In fact, it has regressed. It seems that every time an offer is put on the table, there isn't even a response coming back as to whether it's accepted. From my understanding, the first offer on the table was \$125 million. That has been neither rejected nor accepted by Six Nations, but for some reason they came back with a smaller offer of \$25 million for a smaller piece of property.

We're not in the business of solving land claims. We're in the business of being residents and businesses, and this is really interfering with our abilities to do that in a country where this should not be a problem.

So, to answer your question more directly, no, we don't get enough information, we don't know what the status is. It actually leads to rumours and speculation,

which then turn to violent confrontations. That's not the way this is going to get resolved.

The Chair (Mr. Pat Hoy): Thank you for your presentation. We appreciate your being here early so that the committee can continue to do its work.

Ms. Sophia Aggelonitis: Could we get a copy of the briefing?

The Chair (Mr. Pat Hoy): Yes, I assume—

Mr. Frank Stoneman: Yes. We don't have copies here; we will be forwarding them within the next week.

The Chair (Mr. Pat Hoy): If you would send it to the clerk, he'll make sure everyone gets a copy.

25 IN 5: NETWORK FOR POVERTY REDUCTION

The Chair (Mr. Pat Hoy): Next is 25 in 5: Network for Poverty Reduction, if you would come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Rabbi Arthur Bielfeld: Good afternoon. I'm Arthur Bielfeld. I am a member of a coalition of anti-poverty groups called 25 in 5, a rather remarkable coalescence of groups from across Ontario that have come together for one purpose, and that is to see if the time has come for a poverty reduction program which is targeted, which has benchmarks, which has clear measurements, and which will finally begin to produce the kinds of changes in our environment which we all know have become so important and are wreaking havoc with so many parts of our society. All of you, I suspect, have seen the United Way report, and we are aware of the increase in poverty, where one in three of the inhabitants of Toronto live below the established poverty level, whether it's by the bread-basket level or the LICO, low-income cut-off, level.

I'm also here in my capacity as the co-chair of the Campaign Against Child Poverty. For the past 10 years, I had the privilege of working with the most extraordinary woman, and I wanted her to be present at this meeting for a very special reason. Her name is June Callwood. She's here because, in so many respects, June was a physical presence of remarkable stature, and she did more, I think, to raise the level of poverty on the public agenda than almost any other person with whom I'm familiar.

June, as you perhaps also know, passed away last April. I was privileged to be in her room when the Premier, immediately following the reading of the budget, came up and presented her with his own copy of the budget, which contained for the very first time some initiatives that in some way reflected June's dedication to eradicating poverty in Canada and in Ontario. It was just an extraordinary moment. The Premier was moved, I was moved and even at that most difficult time in her life—she was only a few weeks or a week away from her death—June was deeply moved.

I left with Premier McGuinty but she motioned me to come back, and when I came back she said, "Arthur, just don't give up. Don't give up. He's a good man. There are other good people out there and this time we're going to see it through." I think she was thinking of this 25 in 5 program, which finally puts the details—but I want you to understand what's at the bottom of this picture. It was one of the last things she said: "If any of you happens to see an injustice, you are no longer a spectator, you are a participant, and you have an obligation to do something."

There it is. As a rabbi, as a Canadian, as a member of this province, I can't think of any other way to put it more clearly and more directly.

I am a rabbi. And let me just say one thing more before I turn this over to Cindy Wilkey, my partner in 25 in 5. One of the organizations that is an endorser of the 25 in 5: Network is the Toronto Board of Rabbis. I have to tell you that for 40 or 50 rabbis to agree on anything is a remarkable achievement. We don't agree on social policies, we don't agree on ritual or religious policies, but on one area we are united and unanimous, that poverty is a scandal in Canada. I'm not going to review the figures in Ontario.

Around the Campaign Against Child Poverty table we have the United Church, the Anglican Church, the Jewish community, the Indian community, we have the Muslim community, the Catholic community. There is a core of faith groups that in so many respects can't talk to each other when we sit around a table because we genuinely disagree on issues, but on this we are united. I can only say to you, I hope that you as our elected officials are listening and are now prepared to take this to a new level, where we have some hope of levelling the playing field and giving all the kids in Canada and in Ontario a real chance.

Ms. Cynthia Wilkey: I'm Cynthia Wilkey. I work with the Income Security Advocacy Centre. Our organization is one of over 60 groups and individuals that have come together to form the 25 in 5: Network for Poverty Reduction. This is a growing network. Excitement is high. People are really responding to this initiative.

As we know, report after report has documented that despite our record levels of economic growth, poverty has persisted at the same high rates for an entire generation. For aboriginal populations, racialized communities, newcomers, single mothers and persons with disabilities the situation is even more dire, with adult and child poverty rates that can be many times the Ontario average.

The need for action is nothing short of urgent, but an Ontario poverty reduction plan is not simply about those who are poor, it is about bolstering the opportunities for all Ontarians and ensuring that all hands are on deck to meet our common economic challenges. It's about ensuring that middle-income families can be prevented from falling into poverty to begin with. It's about preserving and rebuilding the middle-income opportunity so people living in poverty actually have a place to move into. Ultimately, it is about how we ensure the social and

economic well-being of our communities and the whole province.

1510

Poverty is expensive. Just as it is much more costly to treat a disease than prevent one, it costs more to provide emergency hostels than affordable housing; more to take a child into the care of child welfare agencies than to make sure families have adequate incomes; more to cope with school dropouts than to train our youth for the jobs Canada needs to fill in the coming years; and more to treat the long-term health effects of poverty and social exclusion than to make sure every child is given the best opportunity to be healthy and connected to his or her community.

Reducing poverty is good for economies, as is preventing poverty by maintaining a strong social safety net. Denmark, Sweden and Finland are three of the most economically competitive nations in the world. They have the lowest child poverty rates and strong social supports.

The 2008 budget provides the first test of the government's resolve to deliver an effective and meaningful poverty reduction strategy. There are crucial priorities that need immediate attention, and a significant down payment on those priorities in the 2008 budget will set the tone for a meaningful consultation process in the months ahead.

This first budget should, first of all, dedicate sufficient funds for an effective consultation on targets and priorities for the poverty reduction strategy. A broad, inclusive and solutions-oriented consultation process will be critical to building wide support for a comprehensive strategy. This budget should dedicate sufficient resources for the consultation to support multiple avenues of input to make inclusion of groups most likely to experience poverty a priority, to reflect geographic diversity, to allow for partnerships with local communities, to bring politicians and ministerial staff out into the province to hear directly from Ontarians, and to position these consultations as the beginning of a process that will support ongoing conversations between government and the community in the coming years.

Secondly, this budget should deliver the funding required to implement in 2008 the programs promised during the past election campaign, namely a dental plan for low-income Ontarians, a full-day junior and senior kindergarten program, and the development and funding of a new affordable housing strategy.

Thirdly, this budget could and should start the process of funding initiatives that will signal the necessary direction for Ontario's poverty reduction strategy. We are not starting from zero. Core components of a poverty reduction strategy have already been identified and enjoy broad support. Start with the principle that working full time, full year should bring a worker out of poverty. We need to have a minimum wage at \$10.25 this year. The Employment Standards Act needs to be updated to address changes in the labour market, and it needs to be more vigorously enforced. Workers need proactive meas-

ures to remove employment barriers based on discrimination.

We also need to develop an effective labour market strategy for Ontario. Addressing restructuring in the manufacturing sector has to be a top priority. We need to create the kinds of jobs that can bring and keep Ontarians out of poverty.

Affordable housing and quality child care have to be top provincial priorities as well, and real income security for adults and children is a crucial need in this year. We would like to see the implementation of the new Ontario child benefit accelerated and a full net benefit going to families on social assistance. Individuals and families on social assistance need to see more money in their pockets to meet household needs.

We need to specifically identify and implement programs that can effectively address the poverty experienced by racialized communities, women, aboriginal people and persons with disabilities.

As the network has said before, the success of poverty reduction ultimately depends on a firm commitment to invest what is needed in what works. The 2008 budget will be an important signal of whether Ontario is serious about making this important investment.

The final point I'd like to leave you with is that the federal government also has a role to play, and it is important that the province continue to press the federal government to do its share in a poverty reduction strategy. To start with, the EI program needs to be seriously restored and extended so Ontario workers get better access to both EI payments and, as importantly, the skills training that goes to those who are eligible for EI. And the federal government needs to come back to the table with funds for affordable housing and early learning and child care.

This budget is the opportunity, as we've said, for this government and this Legislature to get poverty reduction on the road in a serious way for Ontario. We look forward to working with you for this budget and the next budget and the budget after that. This is a long-term process. It's the start of a new conversation and a new process for Ontario. We need everybody behind it and we need serious investment in this process.

Thank you very much. Our submissions include a list of our steering committee and our members. We're looking forward to hearing from the committee and, eventually, the budget.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP. Mr. Prue.

Mr. Michael Prue: Thank you very much; a very good report. I just have a question, though, because we heard earlier from one of the signatories to your report from the Wellesley Institute. Mr. Shapcott was here. Mr. Shapcott was unequivocal in stating that, and I'm going to quote from his report, "virtually all the new housing funding in Ontario in the last two years has come from federal housing and homeless dollars. Even the provincial housing allowance program that was announced with great fanfare in the 2007 provincial budget was

funded entirely with federal dollars." He goes on to say, "Every province has increased its housing spending except Ontario," and he shows that it's about \$700 million that has not been spent in Ontario.

The reason I'm asking this is, you are saying two things. One is the development of funding of a new affordable housing strategy. Would you agree that in the last four years this province has not had any strategy at all?

Ms. Cynthia Wilkey: There has been a program, but my understanding is that the funding has been federal funding. In terms of taking up provincial responsibility for funding affordable housing, there has not been a program. There hasn't been the kind of investment that is needed.

Mr. Michael Prue: So you're calling on this province, then, to join the rest of Confederation and do something about this.

Ms. Cynthia Wilkey: Absolutely. We're asking for money to be in this budget not just for a strategy but also for bricks and mortar and other housing supports. That is provincial dollars. We recognize, though, that housing is something that both of the senior levels of government need to participate in. And at the moment, neither are putting new money in.

Mr. Michael Prue: Yes, but even when the federal government did participate, this province chose not to, in effect.

My understanding—and you may have details on this—is that the province, in the last four years, created 268 units of affordable housing. That is the housing that rents for \$500 or less a month. Would you have any facts or figures on this?

Ms. Cynthia Wilkey: I'm not a housing expert, so I certainly would defer to housing experts.

Mr. Michael Prue: Okay. You also have made a statement here, and I'd like you to expand on it. It's on page 3, about halfway down: "Giving adults and children real income security by speeding up the implementation of the new Ontario child benefit"—I think which we all agree with, but you go on, "giving families on social assistance a greater share of the OCB and putting more money into the pockets of individuals," etc. My understanding is that this much-vaunted OCB program will continue to claw back money from those on social assistance, in much the same way as the federal program was clawed back. Is that your understanding as well?

Ms. Cynthia Wilkey: Our hope had been that the Ontario child benefit program would be used as a vehicle for returning the clawback dollars, the NCBS clawback dollars, to families on social assistance. There was a large mobilization around that before it was announced, when word was seeping out that it was going to be created.

That mobilization was partially successful. Every year, as the OCB grows, families on social assistance will see a net increase, but it will be smaller than the net increase that families who are not on social assistance will experience. So, to that extent, the NCBS clawback will be reduced, but it will continue to exist. It will not be elim-

inated. That's the issue that we're raising here. We think that, dollar for dollar, the OCB should be an increase in income for every family, regardless of their source of income.

Mr. Michael Prue: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your submission.

Ms. Cynthia Wilkey: Thank you for your time. I know it has been, I am sure, a very long day.

1520

TORONTO AND YORK REGION LABOUR COUNCIL

The Chair (Mr. Pat Hoy): Now I call on the Toronto and York Region Labour Council to come forward, please. Good afternoon. You have 10 minutes for your presentation and perhaps five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard. You may begin.

Mr. John Cartwright: Good afternoon. My name is John Cartwright. I'm the president of the Toronto and York Region Labour Council, which represents about 195,000 women and men who work in every sector of our economy in the province's capital and in the largest and fastest-growing region of the province, York region.

Clearly, your committee understands the context of the budget preparations in the same way we do, that the drastic loss of manufacturing jobs is a crisis for the people of Ontario; that growing poverty and disparities in our society is a crucial issue which the government has pledged to start addressing; that the environmental imperatives of the 21st century are upon us and each and every party in our society has to play proactive roles; and that you are still, as a government, saddled with some of the vestiges of the Common Sense Revolution that need to be overcome.

When you look at the package that I've provided you with, the first thing you'll see is this map of the disparities of income in Toronto. I was born in London, Ontario. I spent a lot of time with my family in the north, although at the wrong end of Lake Superior, the lower end. That little portion of red, in Scarborough, is where I grew up. That is now an area where the population has had a decrease of more than 20% in real wages in the last two decades. The next two pages are from the report of the United Way, which I think a number of your deputies may have mentioned, about the drastic loss of real incomes of working people in the city of Toronto compared to the 905—which, again, my council represents parts of—Ontario or Canada. It's a tremendous loss of real earning power, and that's leading to significant social problems.

What are some of the things that the government needs to address? I'm going to talk about some of the investments I'd like you to make, and I'm also going to talk about some of the savings that can be realized.

First, we're part of a group called Fair Deal for Our City, which talks about the need to fix the mess that the Tories left around downloading. There is a task force

coming. It's supposed to be reporting at the end of February—we hope it reports by the 29th—about the costs of social service uploading. It's not rocket science. Everybody, from the board of trade to the real estate board in Toronto to the labour council to social justice groups, agrees that property taxes have no business paying for social service costs. We need that done this year so that some of the smaller cities can start applying that to this year's budget, and certainly Toronto and other cities starting in 2009.

For 10 years now we've called for the province to once again bring back the traditional funding formula for transit: half the operating subsidy. While we appreciate the money that was brought to the TTC and other transit properties most recently, it's not a guaranteed formula. It's a one-off: "Please smile now, and we'll talk in the future."

We also have identified the backlog of repairs that are required for the social housing downloaded by the province. In the case of the Toronto Community Housing Corp., that's worth \$300 million. You can spend money subsidizing people living in housing that's crumbling and sit there and wonder why it's costing so much, or you can go out and retrofit those buildings and bring them up to scratch around energy efficiency and comfort and so on and have a much better bang for your buck. I'm a construction worker, a carpenter, by trade, so I know that when you spend money investing at the start, you save 10 times as much as you'll have to spend afterwards if you're coming back to fix things.

Some of us in this city were treated to, sadly, a report for the Toronto school board by Julian Falconer, which talked about some of the systemic issues that are leading to more and more violence in our schools and the tragic shooting of that young boy at C.W. Jefferys. Ironically, his aunt was in this building with me when we launched a \$10-minimum-wage campaign, because she has not had a job that pays more than \$10 since she lost her job at a factory after free trade in 1989. That's the situation that many hundreds of thousands of Ontarians find themselves in: working in jobs that pay less than 10 bucks an hour. They are not good jobs but many of them are jobs that are for multinational companies that are making billions of dollars in profit. Obviously we need to start providing decent incomes for families—for young men particularly, to feel that there is something in the system for them to buy into rather than poverty jobs. Also, the Falconer report speaks to the need to restore education formula funding and to have that formula in a place that restores the kind of services that were stripped out of the Toronto board—for social workers, for psychologists, for school community advisers, for others who are crucial if working-class families, poor families, immigrant families are to feel that the system works for them. You can pay for a school community adviser to go out and engage Somali parents or you can pay 10 times as much to incarcerate that 16-year-old boy. Those are your choices. I'm going to suggest, as the finance committee, your appropriate choice is to invest in prevention instead of investing in incarceration.

A number of us, of course, spoke to Rozanski when he did his famous study on education funding under the previous Conservative government and came back and said, "You've got to put the money back in." Sadly, there are still areas where this provincial government has not yet met his recommendations, and we'd urge you to do that.

Finally, on the broader social infrastructure, there is an urgent need to reestablish a respectful relationship with the social service agencies that serve hundreds of thousands of people in every city in this province from Windsor to Pembroke to Kenora and Dryden. There will be representations to you—in fact, we have it in our package here, the Heads Up Ontario! report from the Community Social Services Campaign calling for a new funding accord between the province and the agencies and the sector to match what has just been achieved with the federal government around integrity of funding, stable funding, core funding, and continuing to ensure that people who are on those front lines can make a decent living and aren't asked to sacrifice year after year for no money.

Let me talk about jobs for a minute—near and dear to my heart. We've just gone through a huge battle in Toronto around subway cars. Some of us stood up to city hall and took a lot of crap from certain people, saying those jobs should be open to Canada, that those subway cars should be built in Canada. They said, "Why would you care about jobs in Thunder Bay? This is Toronto." We said this is about one economy. We now have most recently a decision by the Toronto Transit Commission that said they're going to put out a procurement for \$1.2 billion worth of streetcars and they brought in a requirement for 25% Canadian components based on some expert advice which we think was tragically flawed.

I wrote to the Premier a year ago and asked the provincial government to take a position requiring the same as happens in the United States—a 60% made-in-USA policy that's required. Every transit vehicle that's bought in the States meets a 60% requirement of components and assembly. We can do the same thing here. The response I got back was not satisfactory. We are asking this government to step up to the plate and stand up for Canadian jobs. Every city and town in this province is going to be buying transit vehicles in the next decade. They need to be made here in Canada, not in Belgium, not in Mexico, not in China. There needs to be a policy. Of course, if you're going to spend billions of dollars in public money, why wouldn't you support Canadian jobs rather than tax cuts for corporations? So investing through public policy is a much more appropriate form of achieving goals than shoveling tons of money in tax cuts to corporate leaders who will then offshore work.

Likewise, you'll see in our package—pardon the picture on the front—a series of recommendations around manufacturing jobs, a series of recommendations around green jobs. We believe that investing in green jobs—we're glad that this provincial government has finally taken notice of that. We think it's crucial that green job investment is tied into made-in-Canada. I'm a con-

struction worker. We don't do energy retrofits and put in components made in Mexico or China. We want those components built here in Ontario. There are also recommendations around housing and social justice, and I echo some of the concerns raised by previous deputants. 1530

You'll see a recommendation to the Toronto school board. This was done two years ago by a group of our own experts, front-line teachers and support workers pulled together by the labour council, people who had helped build an equity agenda in the Toronto board. We took that to the Toronto board. It was endorsed. The chair, though, said, "There's nothing here I disagree with, but we don't have the money to make any of it happen." Two years later, we have the Falconer report, as I said, after tragic shootings. These things should have all been put in place, but they didn't have the money because the education funding formula wasn't in place.

You see at the end the notice of a public-private partnership around transit in London, England, that cost half a billion pounds, just in consultants' fees and lawyers to write up the contract. This government is starting to go down that slippery route of P3s and I want to tell you that I think it's a disastrous route to go. I think that every experience, once you get past the glittery, glowing reports from lobbyists, shows that they cost more and deliver less. You've all read in the papers about the Brampton P3 and what a mess that is. This is a cautionary tale about what you do in transit if you're thinking about putting some money in there, sadly.

Finally, what's the front page in our recommendation about? The front page is about poverty reduction and the role of unionization. Historically, allowing working people to make a decision to have a collective voice so that they can collectively improve their standards across not only their own workplaces but sectors is how we've had prosperity in this province.

Again, you can save a lot of money. We don't want you to put money into working income supplement programs to subsidize the Wal-Marts of the world. We want you to give working people the right to have unions in their workplaces so they can raise the standards for themselves and across their entire sectors. We think that's a great public policy investment that will provide much of the anti-poverty and poverty-reduction program that this government so earnestly seeks to achieve.

The Chair (Mr. Pat Hoy): Thank you for the presentation. We go to the government and Mr. Arthurs.

Mr. Wayne Arthurs: Thank you, John, for your presentation. Don't apologize for the picture; it's actually quite good.

Interestingly enough, we've had a number of presentations throughout the day. I was doing a quick count of those who specifically were addressing us as organizations in the context of poverty in the province of Ontario. I think we've had at least five. In addition to that, we've had some that were a little more specific, that would address the human needs. Whether it's just a coincidence by those who have requested to speak or more so, I would tend to think, a very clear indication to

us that as we move forward we're going to be hearing more, I think it's appropriate as a follow-up to all of the activity and discussion that's gone on over the past months and years, but certainly over the past number of months. It's encouraging that we're getting a variety of viewpoints.

I want to ask you something a little bit different from the context of the package. I'm not sure how familiar you would be with some of the content or the like, or your comments. From this Heads Up Ontario! component, one thing that struck me as interesting, just in the quick scan, was the whole issue around volunteerism. It speaks here about how the Coalition of Voluntary Organizations of Ontario was organized in the 1990s but dissipated when funding ended—a recognition of the importance of volunteerism.

I think volunteering in our community is incredibly important. Everyone tends to put numbers around it—"In the absence of volunteers, it would cost this much to run an organization"—but I think it goes deeper than that as we try to address the issue of poverty, apart from the dollars that we need to put into the system to help people move out of poverty, to provide the support networks in the community, to provide the role modelling and the mentoring that volunteering often presents to people. Do you have some comments, some thoughts on what we should be doing more of in the context of government, beyond what's mentioned here about a couple of initiatives, more that we should be doing to support volunteerism? Doing the volunteer awards on an annual basis somehow just doesn't really cut it. As much as I like going to those things, and having taken pride in presenting certificates or pins to my constituents and thanking them for their good work, it somehow doesn't really cut it in the context of what we should do as government.

Mr. John Cartwright: I'm on the board of the United Way of Greater Toronto, and just last week we celebrated raising \$108 million, coming from front-line working people earning very little to some of the top corporate CEOs. We're grateful for all of that and we're grateful for the amount of time that volunteers put into agency boards all across this province. But that can't be a substitute for people earning decent incomes. In the community and social services sector, we've had a situation where for so long, people who get into that as a profession, whether it's child care or social service work, are played upon, saying, "Well, of course you care about

your clients. That's why you won't take a wage raise this year," or next year or the year after that, or you won't have benefits. Well, in female-dominated sectors, it's inappropriate for us to say that to working people, that because you care about your clients, you're going to forestall wages that will allow you to raise your family. A lot of front-line workers at newcomer-serving agencies are barely above the poverty line themselves.

One of the corporations—I won't mention the name; it was awarded something last Thursday night at the United Way—had also, in the last year, offshored 300 of its call centre jobs. They've taken 300 people who used to earn a decent wage here in Ontario, they've shut them down, and all of that work is now performed from the Philippines. So on the one hand, do we give a corporation an award for helping the needy, when on the other hand there's 300 fewer jobs to provide for those kids who are today graduating from schools in tough neighbourhoods, whether in Toronto or in Garden River outside of Sault Ste. Marie or up in Dryden? You can't exchange those things.

I did want to say that the \$10 minimum wage—and I didn't say this, so you've actually reminded me—is crucial. We say that it should have been \$10 last year. It comes up, by the way, on April Fool's that we get the next increase. A lot of people won't be missing the significance of that. Last year, \$10 was agreed to be the threshold of poverty wages. There's no reason that this government should allow wealthy corporations to pay poverty wages in the 21st century and then turn around and ask the taxpayer or volunteers to fill that void that's being created because companies and corporations are not doing their fair share about supporting living wages for working families in this province.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee.

The Ontario Restaurant Hotel and Motel Association?

With that, the committee will recess for five minutes and wait for them to come in. I ask you to stand by the room, because they could walk in at any minute, and we have a plane to catch.

The committee recessed from 1538 to 1543.

The Chair (Mr. Pat Hoy): We'll bring the committee back to order now. We've been advised that the 3:45 has cancelled, so we are now adjourned.

The committee adjourned at 1543.

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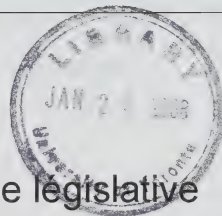
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ISSN 1180-4386



Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Tuesday 22 January 2008

Journal des débats (Hansard)

Mardi 22 janvier 2008

**Standing committee on
finance and economic affairs**

**Comité permanent des finances
et des affaires économiques**

Pre-budget consultations

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
Greffier : William Short

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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 22 January 2008

Mardi 22 janvier 2008

The committee met at 0902 in the Water Tower Inn, Sault Ste. Marie.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. We're pleased to be in Sault Ste. Marie this morning.

UNITED WAY OF SAULT STE. MARIE

The Chair (Mr. Pat Hoy): Our first presentation is from the United Way of Sault Ste. Marie, if you would come forward, please; anywhere along there will be fine. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard, and then you can begin.

Mr. Gary Vipond: Thank you. My name is Gary Vipond. I'm with the United Way of Sault Ste. Marie.

Good morning, Mr. Chair and committee members. The subject of my presentation today is a province-wide 211 service for Ontario and supports for low-income citizens.

Families and individuals facing distress often don't know where to turn to obtain the tools they need to solve their problems. There are 80,000 community services and programs available to residents of Ontario; however, information about how to access these services is unequally provided. For individuals facing a personal or family crisis, or merely looking for information about community amenities, where to look is the biggest obstacle in finding available services.

Work recently conducted in northern Ontario through the Community Matters project, which received provincial funding through the Ontario Trillium Foundation, and the Sault Ste. Marie updated community plan on homelessness have identified communication and co-ordination of services to be priorities in this region. Larger distances between major centres and distribution of resources are particular challenges in the north.

The 211 telephone number is assigned by the Canadian Radio-television and Telecommunications Commission for a public information and referral service to provide Canadians with coordinated access to community, social and health resources. Like 911, 211 is an easy-to-remember telephone number that connects people

to the services they need. Unlike 911, 211 connects to a full range of non-emergency social, health, community and government services. By calling 211, an individual would immediately reach a certified information specialist trained to assess their needs, to understand their questions and concerns, and to link them to the best available information and services, all on a free, confidential, multilingual basis.

The 211 project integrates telephone and Internet to achieve fast, effective and consistent access to service 24 hours a day, 365 days a year, and reduces non-emergency calls to 911, freeing up emergency response capacity to do its job. It increases the effectiveness of community safety and public health strategies by creating an additional channel to distribute information. It helps newcomers integrate into their new communities. It facilitates volunteering by reducing the effort to find agencies compatible with volunteer skills. It creates a tracking system that aids service planning for improving the use of existing resources.

All told, the cost-benefit ratio of 211 is 2.4 to 1, meaning investments are returned in under three years, according to Deloitte Financial Advisory.

Now, 211 could be a powerful component in a province-wide poverty reduction strategy by facilitating access to service for low-income Ontarians. A number of online training and employment resources are already linked to 211 websites. Access to information and the connectivity it facilitates helps sustain the health and prosperity of individuals and communities, and supports institutions created to address human needs. Improving access to information about community resources empowers individuals and helps them to cope with a wide variety of life challenges. Promoting individual resilience and community engagement enables people to better sustain themselves and their families.

A 211 service is currently available in Toronto, Simcoe county, Niagara region, Halton region, and Windsor and Essex county. Currently, 3.5 million Ontario residents, or 28% of the provincial population, have access to 211 service. By May 2008, the number of Ontario residents with access to 211 services will increase to 6.2 million, or 50%, through the addition of 211 call centres in Ottawa, Thunder Bay and Peel region.

Thunder Bay has taken the lead in developing the 211 information centre for northern Ontario through the Lakehead Social Planning Council and the United Way

of Thunder Bay, while Sudbury, with the United Way of Greater Sudbury and the Social Planning Council of Sudbury, and Sault Ste. Marie, through the United Way of Sault Ste. Marie, are focusing on ensuring the readiness and availability of local data to support 211. The eight local sites will be transformed into a seamless, province-wide system in two phases.

In the first phase, the local sites will reach out to their surrounding regions—and, in the case of Ottawa, to all francophones—as resourcing becomes available. Thunder Bay will provide outreach to aboriginal communities. Once the regional operations meet the standards required to deliver a consistent customer experience, the second phase will integrate the regional operations into one virtual call centre. A non-profit corporation has been formed to coordinate 211 development in Ontario.

In 2005, provincial government leadership for 211 was transferred to the Ministry of Community and Social Services from the Ministry of Consumer and Business Services. The 2006-07 budget included two start-up investments in 211: \$1.4 million for one year from the Ministry of Community and Social Services to expand 211 telephone service system planning and to establish provincial governance, and \$3 million over three years from the Ministry of Finance to expand data collection capability, strengthen French-language capacity, and deploy 211 Internet service province-wide.

The province, through the Ministry of Training, Colleges and Universities, has been involved with Toronto's 211 service and the 211ontario.ca initiative, and is partnered to implement a number of online training and employment resources. The Ministry of Community Safety and Correctional Services has partnered to implement the Directory of Youth Justice Services in Ontario. The province has also helped fund the Ontario Aboriginal Calendar and the Directory of Aboriginal Service Organizations. In May 2007, the Ministry of Community and Social Services indicated it had reached the limit of its ability to provide 211 with interministerial leadership.

The Ontario government support and investment in 211 service has helped advance the initiative. We greatly appreciate the government's support to date. However, the scope and duration of the government's support are uncertain. A fully costed plan prepared by Deloitte in 2007 concluded that the mature annual cost of a province-wide 211 service system would be \$15 million. Deloitte recommended that the cost of 211 be shared as follows: 60% provincial, 20% municipal, 10% federal, and 10% United Way and other funders. United Ways across Ontario have supported 211 services for some time. A number of municipalities have stepped forward to help launch sites in their own communities. In northern Ontario, provincial investments for this project have leveraged funds from the federal government and the private sector.

0910

United Way requests the ongoing involvement of the Ontario government in the further development of 211 by

allocating \$24.5 million over four years, starting in 2008-09, to complete 211 implementation province-wide and help sustain Ontario's 211 system. A checkerboard pattern of access to 211 services means that many Ontarians, not just in rural and remote areas, will be unable to find out about needed services in a timely fashion.

I would also like to touch briefly on the subject of supports for low-income citizens. The Ontario government invested \$10 million in the rent bank in 2004, as well as \$4 million in 2006 and \$4.8 million in 2007. These funds have been critical in assisting low-income citizens in maintaining their residence when faced with eviction. The emergency energy fund and consolidated homelessness prevention program are two other Ontario government programs which have also been critical in reducing poverty by assisting low-income earners in maintaining their residences.

In Sault Ste. Marie, the United Way community assistance trust program was established in 2001 to provide assistance or referral for individuals or families that are facing emergency or extraordinary circumstances. This program relies on funding sources such as the rent bank, emergency energy and the consolidated homelessness prevention program in order to assist those in need. The program also receives funding from United Way, the federal government and Ontario Works.

United Way requests that the Ontario government continue to support the rent bank, emergency energy and the consolidated homelessness program at least at the 2007 levels and consider increasing funding to these areas to further reduce the impact of poverty in the province.

I'd like to thank you for providing me the opportunity to address your committee this morning.

The Chair (Mr. Pat Hoy): Thank you for the submission. In this rotation, the questioning will go to the official opposition.

Mr. Toby Barrett: Thank you, Mr. Vipond, for your presentation on behalf of the United Way. I find the 211 concept really quite interesting, and I can think of other areas in Ontario that have used it. Is it working out okay in the Soo as far as—are all agencies, all groups, part of this? Are they willing to accept the referrals and have their information on the system?

Mr. Gary Vipond: We are just at the stages of data collection in Sault Ste. Marie at this point, but we are getting good co-operation from agencies. In fact, we have a number of agencies that have pulled together and formed a collaborative to gather the data, a number of agencies that already have some databases in place, so that we're working together to reduce the cost and to streamline the operation. We're pulling our community data into one database, and that data is exported to Thunder Bay to be part of the telephone system and also to Toronto to be part of the Internet system.

Mr. Toby Barrett: Just on the other topic of the rent bank, I see that the Ontario government has cut funding from \$10 million in 2004 to somewhere around \$4.8 million now. Is there any reason why they have done that that you know? You also made mention of the energy

fund and homelessness prevention. Have those funds been cut as well, or increased? Do you have any idea?

Mr. Gary Vipond: I believe the initial idea behind the rent bank was that money would be put into a fund, people would borrow it when they were in trouble, and they would pay it back when they were able to. I know that, locally, it's very difficult for people to pay that money back because when they're in arrears for their rent and they need some assistance, they're really behind the eight ball, and they don't seem to pull out of it very quickly, or sometimes ever. I can't speak for the government, obviously, but I believe the intent was that the money would be put in and it would keep regenerating itself. When that wasn't happening in all centres, my understanding is that additional monies were put in. I don't believe that monies were cut from it; I think that they've just been topping up the fund. But I really can't speak to that. That's my understanding.

Mr. Tim Hudak: What's the time, Chair?

The Chair (Mr. Pat Hoy): Two minutes.

Mr. Tim Hudak: Okay, super.

Mr. Vipond, thanks very much for the presentation. I think Mr. Barrett has some good questions about the rent bank. I'll submit a research request and then it would be interesting to see how much principal is remaining and if payback has been working out, or Mr. Vipond's concerns if that's not happening. But I'll do that in writing to make sure it's clear.

With respect to the 211, you've had a number of ministries that have supported the initiative in different ways. It seems like COMSOC, community and social services, has been the lead ministry, if I glean that from the presentation.

Mr. Gary Vipond: Yes.

Mr. Tim Hudak: I have two questions. Is COMSOC the ministry you'd prefer to see continue to lead this process? And with respect to the ongoing provincial funding role, is that permanent, ongoing funding, or will 211 eventually be funded solely at a municipal level through other means?

Mr. Gary Vipond: I think COMSOC is a good ministry to be involved with 211 simply because of the nature of its being. It deals with social services, it deals with a number of funding sources that support people who are in need, so I think it is a good fit.

With respect to the ongoing funding, when Deloitte did their study, they determined that because of the nature of the service provided by 211, they felt that the cost should be shared by the provincial government, the federal government, municipal governments, private funders and the United Way. I had listed in my presentation the breakdown. So I would suggest that there would be an ongoing requirement for some kind of funding.

Mr. Tim Hudak: From the provincial level, ongoing operating funding as opposed to—

Mr. Gary Vipond: Yes, based on the Deloitte study.

Mr. Tim Hudak: The challenge I always see when you have four levels of government, four entities, that are relied upon for various funding shares—too often,

nothing will get done because each level will point at another level of government and say, "We're waiting for their funding first." But I appreciate the point, particularly when you're starting a system up. I come from Niagara, as you mentioned, one of the sites that currently benefits from 211. Do you anticipate that the federal government, which Deloitte recommended at 10%, is interested in funding 211 on an ongoing basis?

Mr. Gary Vipond: I know there is national work going on through United Way Centraide Canada. I'm not sure where they're at with that work, but I know it would be in their court to bring the federal government on board with 211. And 211 is not just in Ontario; 211 is up and running in Calgary and Edmonton; British Columbia is moving ahead very quickly; and there's also some good activity in Quebec. So I think that as this rolls out, the federal government will see the value in it. When you look at Hurricane Katrina when it hit the southern United States, the 911 system completely crashed and the 211 system was the one that actually got people through that crisis.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

PIC RIVER FIRST NATION

The Chair (Mr. Pat Hoy): I call on the Pic River First Nation to come forward, please. Good morning. You have 10 minutes for your presentation. There may be five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Ms. Cindy Fisher: Good morning. My name is Cindy Fisher. I'm the education director with the Pic River First Nation. I'm grateful for this opportunity to address you this morning.

I'm in desperate need of your voice. I speak not only on behalf of my First Nation but I'm asking for your help on behalf of all aboriginal children. I have been involved with education at the First Nation level for the past 30 years, and, needless to say, I've been very, very patient. I've tried time and time again to have Indian and Northern Affairs Canada address the funding shortfalls in aboriginal education. I realize this is a provincial hearing, and if I am unable to connect the dots as to how all of this will affect the province, I sincerely hope that with your vision, you will be able to see the impact.

At this point, all I know is that I need to do everything in my power to make life better for our children. It has been said that we are in the rainbow time, and that this rainbow will be the bridge on which we will travel from the old into the new ways, and if just one colour is missing, then the bridge will not be complete and will not be strong enough to carry us. We are all interconnected. The stronger our people become, the stronger Ontario will be and ultimately the stronger Canada will become.

0920

My first concern is with the underfunding of First Nations education. At our school, Pic River Elementary,

we receive \$5,000 per student from INAC through the nominal roll process. If we transferred that very same student to a school in Marathon, which is about 15 minutes away, INAC would provide Pic River with \$12,000 for tuition fees. There was a time when we had five IPRC students—that's identification of special ed students—attending our school. We received \$86,000 to provide special education services for them as well as total special education for all of our school. When these same students left to attend high school in town, INAC provided anywhere from \$23,000 to \$27,000 per student to cover programming costs. I bring this forward so that you will hear first-hand how INAC practises systemic racism.

Now, with the money First Nations currently receive for special education, we must cover all special education costs at both the provincial and federal levels, and it's just not possible. Native people have the highest rate of alcoholism; it only stands to reason that we will have the highest rate of fetal alcohol effects. This has a direct impact on your budget when students with high needs move off the reserve and become the responsibility of the province. The demands on your special education programming will definitely increase. We need investments in prevention programs and curriculum development to begin to stop this cycle.

Every year, among the many reports First Nations must fill out, we have submitted a provincial territorial report. This report tells INAC who we have tuition agreements with and how much we spend on tuition. The report is very detailed and includes copies of all invoices and payments. INAC came up with the calculation that the number of students we have on our nominal roll times the amount of tuition being charged would equal our provincial education budget of \$312,000. It sounds reasonable—that portion of the report was exact—but INAC did not include the adjustment billings, cost for extra-curricular activities or the aboriginal language program. Our total tuition bills for this report exceeded \$500,000. This is currently being reviewed, and we expect a funding adjustment to offset this deficit. My concern here is for First Nations who do not have the knowledge or the personnel to address situations like this. Have they received adequate dollars for the payment of their tuition bills?

On average our teachers receive a salary that is 30% lower than their provincial counterparts. We do not have the dollars to provide the same professional development or program implementation as the Ministry of Education. First Nations did not receive any dollars for literacy, numeracy or character education; second-level services are non-existent. Currently the teachers with NOEL, Northern Ontario Education Leaders, are involved with an oral language project and are being trained by the world's best in oral language.

The gap between aboriginal and non-aboriginal students in the boards is decreasing. Mount Carmel, a school in Keewatin-Patricia District School Board with a 95% aboriginal student population, recently achieved a

high of 92% to a low of 85% in province-wide testing. It is clear that, with investments and programming, aboriginal kids can succeed with the provincial curriculum. Ontario, with the establishment of the aboriginal unit within the Ministry of Education, has made great strides in beginning to address the void in aboriginal education—the work done to date with the aboriginal self-ID program, curriculum that is aboriginal-inclusive across the board, as opposed to being a separate stand-alone subject.

Then there is our beautiful language. Ontario must invest in aboriginal languages with the same resourcing provided to the French-language program. It must be scheduled during the school day at a time that will not conflict with math, English or science studies. Although it is not an education responsibility to keep our language alive, for some students this may be the only exposure they will have to our language. The Lakehead District School Board is having great success with a French-language acquisition program. Please look at this so that it can be applied to the successful delivery of aboriginal language programming.

Aboriginal post-secondary institutions receive one fifth of the amount provided to non-aboriginal institutions. Aboriginal post-secondary institutions are instrumental in providing programs that address and meet First Nations needs. Excellent examples of this are the water treatment certification program and the public administration programs with the First Nations Technical Institute, or the early childhood education program with the Anishinabek Education Institute, or the aboriginal teacher program with Seven Generations Education Institute. These are just programs we have accessed and used as part of our capacity-building strategy. The programs offered by these institutes are many and varied. The doors to these institutes need to be kept open, as there will be a time when First Nations will be in a position to take full advantage of what they have to offer.

I realize that this may not be the place to bring forth these issues, but I need to get the message out to everyone possible. I need you to help me to tell Canada that enough is enough, to get real, and that we cannot allow the lives of our children and our grandchildren to be wasted away. Meegwetch.

The Chair (Mr. Pat Hoy): Thank you for your presentation. We'll move to the NDP in this rotation.

Mr. Michael Prue: Thank you for a very powerful presentation.

I'm curious about this program, because this is wonderful news, that Mount Carmel, a school in Keewatin-Patricia District School Board with a 95% aboriginal student population, recently achieved a high of 92%. What happened there?

Ms. Cindy Fisher: Keewatin-Patricia was one of the first school boards, or the very first—I'm sorry. It's not Keewatin-Patricia; it's Keewatin-Patricia and the Kenora Catholic District School Board. They were the first ones to do the aboriginal self-ID project, and as a result of that, they were able to identify and shift the focus as to

how they would implement programming in their boards. They did early literacy; they had success teams. They just did an extraordinary amount of programming to address First Nations children and the deficiencies. When they were coming into the schools, there may have been a deficit in their reading, so they would address that. Dr. Allan Craig would be the one who knows all about it; he has that information.

Mr. Michael Prue: Okay. You have been harsh, and I think deservedly so, on INAC. I think INAC has failed First Nations in many places. There is ongoing discussion, and many people are starting to come to the opinion that it would be better for the province and for the First Nations communities to take over the education themselves; that is, to run your own school board, to get away from INAC and to give the same kind of education that other Ontario students get. Has any thought been given in the Pic River First Nation about this?

Ms. Cindy Fisher: Yes. We're part of the Union of Ontario Indians/Anishinabek Nation process to do the restoration of jurisdiction with regard to delivering education programs. It's been a long—I think it's 2010 now that we're looking for an implementation date. I agree that, yes, we do need something in place that is going to govern, very much like the school boards operate right now.

Mr. Michael Prue: You have correctly identified that at this point it's mostly a federal responsibility. Where would you like the province to head? Would you like us to head towards having education delivered by the province, working with the First Nations communities to develop First Nations school boards and that kind of thing, or do you think that we should keep hands off? I just need to know, not so much today, but over the next four years, in this Parliament, what we should be doing.

Ms. Cindy Fisher: I believe that would be a good direction to work toward. I remember a while back, because I have been here 30 years, the tripartite with the welfare. That was one thing, and then, as a result of that, the rules that had to be followed, because right now there are no rules for First Nations. First Nations do not have rules that they have to—I don't know how to say it; "rules" is the only thing I can think of. Right now in Pic River we follow the provincial curriculum, but there's nothing saying you have to follow the provincial curriculum. There's nothing saying that you have to have 195 teaching days. Those are the things that we adopt on our own in Pic River. And, yes, it would be good and I think it would make more accountability as far as delivering education programs.

Mr. Michael Prue: Thank you very much.

0930

The Chair (Mr. Pat Hoy): And thank you for your presentation.

Our next presenter is Pic River First Nation. If you would come forward, please. Good morning. You have up to 10 minutes for your presentation, and there could be five minutes of questioning. I would ask you to

identify yourselves for the purposes of our recording Hansard. You can begin.

Chief Arthur Fisher: Okay. I can go first. My name is Arthur Fisher. I'm the chief of the Ojibways of Pic River First Nation. I welcome this opportunity to speak to you. I fully understand that this is a provincial venue and that aboriginal affairs are primarily a federal responsibility. However, there are many issues that occur as a result of the inadequacies from Canada which directly affect the economy of Ontario.

I applaud the establishment of the Ministry of Aboriginal Affairs and wish to acknowledge the appointment of Michael Bryant as minister. His knowledge and experience will prove beneficial as we partner to address First Nation concerns in Ontario. The one thing that I ask in this respect is that the government of Ontario keep this minister in place, as it has been my experience that as soon as we begin to make progress in aboriginal affairs, the governments, both federal and provincial, change ministers and we have to start all over again.

I have been involved with First Nation politics and have served on council for the past 40 years. I have witnessed many changes in our community. There has been much growth. There are times when I look around and I find it difficult to believe that it has only been one generation since we lived in extreme poverty. It is because of this that I believe it is possible for all Anishinabek to live a good life. We must not look at governments from a dependency point of view, and governments must not look at financial support as a handout. It is a responsibility.

In a visit to Pic River, Elijah Harper talked of how Canada—and, I need to add, Ontario as well—must spend the taxpayers' dollars on the taxpayers. Do not spend their money on us; all we need is 3% of the natural resources and we will succeed. This is really ironic, since at one time we owned 100% of Canada's natural resources.

Pic River First Nation is located on the north shore of Lake Superior, 400 kilometres north of Sault Ste. Marie. I believe it is a very progressive community in all areas. This does not mean that we have not faced the same obstacles as all other First Nations in Canada. The difference is that we have done something about it. The education of our people has always been protected. When INAC wanted to move our children to Marathon to be educated, our parents refused—and that's when I was a child. When alcohol and drug addictions threatened to take over our lives, our people sobered up and the healing process began. It has not been an easy road, and because of intergenerational effects, it will be one that we will need to travel down again. Even though we have accomplished all of this, we have been restricted in reaching our full potential primarily because of inadequate funding and lack of resources.

We need Ontario to add its voice to demand that Canada begin to resource First Nations at a level that will result in success. First Nations cannot move forward because we are ridiculously underfunded. Realistically,

would Ontario expect municipalities to service their communities without providing adequate dollars to provide policing and fire protection and to implement building codes, road maintenance, water and sanitation? It's unthinkable. First Nations are not resourced to provide proper infrastructure, our administration building is inadequate, and our children do not have access to a proper gymnasium. As our community grows, the need for a sewage treatment plant is becoming a necessity.

The funding caps placed on us by the federal government back in the 1970s seriously hinders our capacity building in all areas. In education, we cannot begin to keep pace with the province. Our children's education is valued at one third of what the province provides for their children. Insufficient funding restricts us from capitalizing on the economic opportunities that will lead our First Nation into self-sufficiency in the areas of forestry, mining and hydro development. One key area that Ontario can help in partnership with us is the development of training programs that will provide a skilled labour force.

Pic River has used its own source revenue to subsidize funding by the federal government for health, education, social services, housing and water. These dollars were not intended to provide essential services. We intended to use these dollars to invest in partnerships that would provide another source of revenue for our First Nation.

Canada has not lived up to the intent of the treaty process. We need Ontario to put the pressure on Canada to provide the financial resources needed for First Nations. Without it, Ontario will ultimately pay the price in a negative way, with aboriginal people burdening the welfare system, the health system and the judicial system. We need the support of Ontario to realize self-sufficiency. With that, I thank you very much.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government.

Mr. David Oraziatti: First of all, I want to welcome the committee to the riding of Sault Ste. Marie. It's great to see everybody here today, so thanks for taking the time to come here. I also want to thank the presenters for taking the time to come here and give their presentations.

First of all, Chief, thanks for being here. I want to say to you that our government hears you loud and clear when it comes to issues in First Nations. We did, as you know, call an inquiry into the death of Dudley George and, following some of those recommendations, acted on them and created, for the first time in Ontario, the Ministry of Aboriginal Affairs to give aboriginal issues the level of consideration and discussion that they certainly deserve in this province. I know that you're well aware that Minister Michael Bryant has been very active in meeting with many First Nations organizations right across the province with the commitment to expedite as best possible, where able from the Ontario perspective, outstanding treaty issues. Hopefully, that will be a significant step toward supporting self-governance and improving the quality of life for all First Nations right across Ontario.

I appreciate Ms. Fisher's comments as well with respect to education. Having worked in education for 10 years as a teacher here locally, I can tell you that the programming and the support for aboriginal students in First Nations that are offered in the local school boards have continued to increase. I think you're probably aware of that.

Your challenge, as you have fairly clearly articulated today, and our challenge as a province as well, is to impress upon the federal government the importance of funding First Nations at a level that will continue to improve the quality of life of First Nations and address some of the basic issues, such as health and education. I see that Chief Sayers is here from Batchewana. I know that we'll be talking about family health teams. I'm sure health issues as well as education are probably top of mind in your community.

If you could articulate for me perhaps some of the ways that we could move forward provincially in support of First Nations, whether it be on economic issues, education, health care, or any other areas that you think would be helpful and beneficial to all First Nations right across the province—could you identify a couple of specific initiatives that you think the provincial government should be undertaking to support First Nations?

0940

Chief Arthur Fisher: Okay. I think with the new Ministry of Aboriginal Affairs, in conjunction with other ministries like natural resources and mining, there should be some programs out there to fund First Nations to have the capacity to go into partnerships in forestry, in developing hydro sites, to go in partnership with mines and even go in for impact benefit agreements, those kinds of things. At the moment, I think most First Nations are not as fortunate as Pic River because they are greatly underfunded and they cannot get off the ground because of lack of funding. They have to provide services with the money they get, and even that's lacking, so they practically have no money to do anything. That's what I find. Both governments have to look at sending money in there to have partnerships set up where they can put in their share of money, providing resource revenue-sharing that First Nations could use on their behalf in the future. Pic River did some of that on our own. When I was a councillor, we were fed up with being dependent on government, so we said, "Let's be self-sufficient. Why can't we aim for that?" So we started strategizing. But it was difficult because resources were so few; we had to fiddle around with the resources.

We risked a lot of things, but sure enough it did work. We've got three hydro projects online now, which is fortunate for us, because we pursued them. We're in the process of working with a mining company to go into partnership—and there are two more hydro sites that we're going to develop ourselves because now we have the capacity of being able to go to the banks and say, "Hey, we'd like to develop." We use the previous dams we have as equity, so we can go and borrow against those. We're thinking of having resource revenue-sharing

with the mining company. There are some windmill power companies coming up; we're already talking with them about partnerships. As a matter of fact, Brookfield is one of the key players in the area, and we're talking to them quite favourably and things are going pretty strongly.

But that's only one First Nation. I'd like to see every First Nation in Ontario develop something like that. There's great opportunity in northern Ontario for that, because the resources are on tap there. The government is going to have to start looking at sharing resources with First Nations and taking care of things, setting up partnerships so they can derive money from resources. We're saying "3% of revenue." If we can get something like that, we'd probably be self-sufficient and could even grow to greater capacities once we start up something like this.

The Chair (Mr. Pat Hoy): Gentlemen, I didn't realize that you were sharing your time. You had three minutes left, so I apologize for that. I assume that you're Robert Starr seated there. If you want to read yours into the record, that would be fine. There won't be any questions, though.

Mr. Robert Starr: Mine is just a statement for consideration.

The Chair (Mr. Pat Hoy): Go ahead. I apologize.

Mr. Robert Starr: Good morning and thank you for the opportunity to hear my short, short sentences.

First Nations in northern Ontario are placed in a delicate situation that if played correctly can open up endless amounts of opportunity for economic growth and participation. The landmark court decisions known as Haida, Taku River, and KI have made "reasonable and meaningful consultation" a household term for many First Nation communities. They have opened the door for many First Nations to become active stakeholders in resource developments on their traditional areas.

Recently the provincial government imposed a tax on the diamond developments with regard to the mine starting up currently in the Attawapiskat area. This has had as much effect on the mining industry as did the KI decision. The search for additional and new resources has been impeded by this. This tax grab is opportunistic and will only slow down the search for precious metal and stone opportunities in the north.

There have been reports in the media lately of the costs to the provincial government with regard to the illegal tobacco trade on First Nations. While I do not invalidate the issue, my concern lies with the fact that for there to be lost taxation, there have to be people who are taxpayers not paying the tax. This means that the sales cannot be accredited to First Nation members making the purchases. I am concerned that the provincial government will create a new taxation policy to capture that lost revenue.

My concern with this year's budget, which is already estimated to be in a surplus position and which also goes against the McGuinty government's policy of a balanced budget, is that there will be changes to taxation policy,

changes that will have damaging effects on (a) the ability to create opportunities in resource development for First Nations to benefit from, and (b) a taxation loophole that has allowed on-reserve businesses to flourish due to an increased demand for small-market cigarette companies.

I truly hope that we—and I speak not only as a member of a First Nation in Ontario but also as a tax-paying citizen of Ontario—can change current and proposed taxation policies so that First Nations can create economies of their own in an effort to become self-sustaining nations.

The Chair (Mr. Pat Hoy): Thank you both for your presentation this morning.

ONTARIO NATIVE EDUCATION COUNSELLING ASSOCIATION

The Chair (Mr. Pat Hoy): For the committee, our 9:45 is not here yet but the people scheduled for 10:45, the Ontario Native Education Counselling Association, have stated that they would come forward now. Thank you very much for being early and willing to come forward to the committee. You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Ms. Roxane Manitowabi: Thank you very much. My name is Roxane Manitowabi. I'm the executive director of the Ontario Native Education Counselling Association.

The Ontario Native Education Counselling Association is a non-profit organization that was incorporated in 1985 to meet the needs of native education counsellors by providing and developing culturally relevant curriculum, training and professional development. Our organization services approximately 134 First Nation communities, as well as other elementary, secondary and post-secondary counsellors in the province of Ontario. In partnership with INAC and the Ontario Ministry of Education, ONECA has successfully been training native education counsellors since 1977.

Native education counsellors play an integral role in student success and are an essential service to First Nation communities, First Nation schools and provincial schools. As counsellors providing this service to our students, it's evident that First Nation education is under-supported, under-resourced and needs equitable funding in order to improve First Nation student graduation attainment at all levels.

In order for us to deliver the level of service required by students, First Nations require equitable funds to meet the educational, social, demographic, economic, cultural and pedagogical needs of First Nation schools.

As First Nation counsellors on the front line, we see first-hand the impacts that insufficient funding has on our schools, students and communities. The current band-operated funding formula needs to be reviewed and significant changes need to be made on how funding is determined, managed and distributed to First Nations so that each First Nation receives equitable funding to

support the educational requirements of their schools and students.

Native education counsellors are very discouraged by the graduation attainment levels, the education gap between aboriginal and non-aboriginal students, the number of students who are on waiting lists for post-secondary, the poverty rates, suicide rates, incarceration rates and unemployment rates of our youth. Given the labour shortage and the increasing population of aboriginal youth, Ontario cannot afford to turn a blind eye to the barriers that inhibit the growth and development of aboriginal youth. According to Statistics Canada 2001 figures, 976,305 people identified themselves as aboriginal. Approximately 20% or 188,315 of that population resides in the province of Ontario, 40,490 on-reserve and 147,820 off-reserve. Those are pretty high statistics.

The aboriginal population has the highest birth rate in Canada, and more than half of the aboriginal population is under the age of 25. We can clearly see the economic benefit to the province if aboriginals increase their education attainment levels and enter into the workforce. An increase in the educational attainment of aboriginal Canadians would have a significant and effective impact on productivity and growth, create a larger pool of university graduates, build leadership capacity and ultimately have a substantial impact on the Canadian economy through output and productivity.

0950

It's in the best interests of Ontario as a whole that equitable funding is available to support First Nation education so that aboriginal students can reach the attainment levels so that they can succeed and be competitive in the labour market.

The Ontario Native Education Counselling Association recommends that the government of Ontario:

- insist that changes be made to the band-operated funding formula to include equitable funding, allowing First Nation schools to meet the provincial and federal curriculum requirements;

- insist that the band-operated funding formula factor in all of the support services delivered by First Nation education departments;

- insist that the formula be indexed to reflect the cost of living and that it should be reviewed annually;

- insist that the amount of funds available for special education is increased to reflect the number of students and their needs;

- insist that the federal government remove the 2% cap that has been placed on post-secondary funding so that we can reduce the number of post-secondary applicants on the waiting list and increase the number of post-secondary students in our institutions. Increasing the number of professionals will have a positive impact on the social and economic advancement of aboriginal people;

- and continue to create partnerships that promote and improve student outcomes from kindergarten through post-secondary.

Investing in First Nations is by far the most beneficial investment that the government of Canada can make. Increasing the number of aboriginal high school graduates will have significant and far-reaching economic benefits to Canada and will contribute to improving the personal well-being of aboriginal Canadians. Investing in education will also contribute to somewhat alleviating two of the most pressing challenges facing the Canadian economy, and that is slower growth in the labour force and lacklustre labour productivity growth.

The return on investing in education is not solely private, but societal, as increased educational attainment generally reduces crime, improves health and potentially breaks the cycle of poverty.

Given the proper resources and equitable funding, First Nation counsellors can be very effective and have a positive impact on the educational attainment levels of aboriginal students because they are often the front-line common link between school, family and community. Therefore, we would encourage the province of Ontario to act on behalf of all First Nations and ensure that the government of Canada meets their obligation to First Nation education.

The Chair (Mr. Pat Hoy): That concludes your presentation?

Ms. Roxane Manitowabi: That concludes my presentation.

The Chair (Mr. Pat Hoy): Okay, thank you.

Ms. Roxane Manitowabi: At the back of the presentation I have included our concerns and facts and impacts. Statistics was never one of my strong points, but if you look at the statistics, you can get an overall picture of how aboriginal people can contribute to the economy and the impacts of ignoring education, because education is the foundation to success.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Ted Arnott: Thank you very much for coming today and making your presentation. I found it very enlightening, very interesting, very positive and very constructive. I want to wish you well in your responsibilities. I think it's so important. I think the challenges our First Nation communities are facing over the long term will be addressed by improvements to education. Certainly that's going to be a big part of whatever solutions come forward in the coming generations, so thank you very much for the work that you're doing.

I just wanted to ask a question of clarification. The band-operated funding formula that you reference: All of that money, I assume, comes from the federal government. Is that correct?

Ms. Roxane Manitowabi: That's correct.

Mr. Ted Arnott: And it's based on the provincial level of funding in 1996?

Ms. Roxane Manitowabi: The band-operated funding formula has not been indexed or reviewed since 1996. As a result, the cost of living has gone up, tuition rates have gone up. I think we're 30% behind.

Mr. Ted Arnott: I would think that, yes, that would be a conservative figure.

Ms. Roxane Maniwabwi: And when we look at the band-operated funding formula for First Nations, there are a lot of services and considerations that are not considered under the funding formula, such as library services, extracurricular activities. So all of those things inhibit development of our children.

I look at the wonderful work that Mr. Bartleman did with the book project, and I commend him for all of the work that he's done. But in my mind, I say, why does he have to do that? Why do we not have books in our school? Why is he having to do this?

Mr. Ted Arnott: You're referring to the Lieutenant Governor of Ontario?

Ms. Roxane Maniwabwi: Yes. Why can't we resource our libraries? Well, because we don't have the dollars to be able to do that.

Mr. Ted Arnott: You mentioned that there is a huge waiting list for post-secondary education. Can you tell us a little bit more about that?

Ms. Roxane Maniwabwi: In the latest study, done by the AFN, they identified 10,000 students sitting on a waiting list for post-secondary funding. There's been a cap on post-secondary funding dollars since 1996, so it restricts the number of students that can go on to post-secondary.

Mr. Ted Arnott: Thank you.

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: I have similar questions to my colleague Mr. Arnott's about university. A 2% funding cap: What does that mean exactly? In your point number 5, you're asking the province to call upon the federal government to remove the 2% cap that has been placed on post-secondary funding. Does that mean it's only allowed to grow 2% a year?

Ms. Roxane Maniwabwi: They have had a 2% cap, so they haven't increased the number of allocations. There's been a cap; they can only increase it 2%.

Mr. Tim Hudak: The number of people who will get scholarships? I'm not sure I understand what the cap—

Ms. Roxane Maniwabwi: The overall funding.

Mr. Tim Hudak: Okay. So it grows at only 2% per year.

Ms. Roxane Maniwabwi: At 2%.

Mr. Tim Hudak: You also reference the role that the province is playing. You reference positively, in your supplemental piece, the Ontario Ministry of Education aboriginal education unit—some shared goals for 2016. It's always a challenge with the finance committee, because the federal government has obligations, and if people feel they're not living up to them, then they'll press the province, and the province has obligations. What role is the Ministry of Education specifically playing with respect to aboriginal education, and what more are you calling for, aside from lobbying the federal government?

Ms. Roxane Maniwabwi: I have to commend the provincial ministry. The new aboriginal education unit

has developed some really strong relationships and put into place a very nice framework that does work at developing partnerships with First Nations and implementing training programs that will have a direct impact. Ontario has put \$13 million into this program to help organizations like ours.

I'll give you an example. We run the native counsellor training program, and we have a partnership between INAC and Ontario. We get partial funding from the Ontario ministry and partial funding from INAC, and the rest is all tuition-driven. So those kinds of partnerships are really important. With the program we run, we train counsellors, and most of the students in our program are employed and come to us for training. We're the stepping stone for higher learning. So those partnerships are integral. It's a good step in the right direction.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

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GARDEN RIVER FIRST NATION

The Chair (Mr. Pat Hoy): I'm advised that our 10 o'clock, Garden River First Nation, is willing to come forward now. Good morning. You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard. You may begin.

Chief Lyle Sayers: Good morning. My name is Chief Lyle Sayers, from the Garden River First Nation. I'm in my 10th consecutive year as chief now. I've been on council for over 20 years, consecutively since 1989. Over those years I've run into a lot of difficulties in terms of trying to maintain a government such as Garden River, and a lot of the shortfalls that we've encountered along the way have been enormous. This morning I'm going to be talking about a number of issues, but the first one has to do with health. I want to thank the committee for coming up to Garden River to hear us out. I'm not an expert in health, but our technicians have developed some questions for me to put to you, so I'll go ahead with that.

Among the commitments from your campaign platform, there are a number of areas that we think are first priorities that should be looked at in the budget for 2008. I'll list some of them.

(1) Oral health: Your government committed no less than \$45 million to provide oral health care to uninsured Ontarians. You must make good on this promise soon and ensure that dental care and oral health services are implemented through existing primary health care organizations that have the capacity, such as CHCs, AHACs and FHTs.

(2) Aboriginal health: Your government committed to reviewing the second-class funding that is provided to Ontario's 10 aboriginal health access centres—more than a \$15-million shortfall when compared to other, similar parts of the system. You must not only review the

second-class-citizen funding that AHACs receive but remedy the \$15-million AHAC shortfall so that AHAC patients are not treated as second-class citizens.

There are a lot of acronyms that I am using. They will be provided to you later on.

(3) Increasing access to health care: You must commit to increasing access to health care for Ontarians. This issue is very often misstated as access to physicians, but physicians are only one part of the problem and one part of the solution. You must increase access to primary health care, which means investing in CHCs, AHACs and FHTs, models of health care that value the contributions of all providers, including nurse practitioners, nurses, counsellors and others. We recommend that your government commit to no fewer than 20 new CHCs and AHACs per year over the next four years, beginning in 2008, and live up to your platform commitment of 50 new FHTs by 2009.

(4) Leadership from government: The government must not only exercise its funding muscle to increase access to health care, but should also demonstrate true leadership in shifting the debate away from the misinformed argument about doctor shortages alone to a debate that talks about the real solutions to our health care access challenges; namely, how to make the best use of all health care providers. This is especially important in the north.

(5) Planning health care for the future: One of the things that you didn't tell us in your platform but that we want to hear is how you are going to reach the primary health care needs of all Ontarians. By when will this happen, and what is your strategic plan for the right mix of models and health care providers to make this a reality? Within that, what is the strategy for the north, for francophones, for aboriginal communities? We actually want to see these strategic plans and hear what finances are going to be dedicated in 2008 to making them a reality.

What can the Ontario government do to continue to foster economic growth and job creation in the province? From the perspective of a local health organization, one of the best ways to enhance economic growth and productivity is to keep Ontarians healthy and to make our communities a place where people want to invest. That's what we mean by building the second stage of medicare. To do that, here are a few key priorities.

Eliminate the three-month OHIP waiting period for landed immigrants. The government is eliminating the three-month waiting period for OHIP coverage for military families. Why do you still impose this on new immigrants to Ontario? The Premier has said publicly, "When newcomers succeed, Ontario succeeds." The lack of health care coverage is tripping newcomer families across Ontario right from the starting gate. If you want economic productivity and growth, enable immigrants to remain free from crippling illnesses, free from tens of thousands of dollars of health care debt, and able to help build Ontario. Coincidentally, it costs Ontario taxpayers vastly more in lost productivity and hospital care than it

would to simply eliminate the three-month waiting period.

We need to ensure that all Ontarians have the basic income requirements to keep healthy and productive. Anything less than \$10 per hour as a minimum wage right now means that people are basically living below the poverty line and cannot afford even the food to keep healthy, according to government nutrition guidelines. Increase the minimum wage now.

Ensure that the Ministry of Finance plays a very active part in the recently created cabinet committee on poverty reduction. If it lives up to its mandate, this will be one of the best places to understand how all parts of government can connect to keep Ontarians healthy and productive.

Commit to preserving Ontario's universal, not-for-profit health care system. This is one of the leading reasons why companies choose to open offices or shops in Ontario and Canada.

Are there any programs or services the provincial government provides that are no longer needed?

There is a need overall for a shift in our thinking. If anything needs to go, it is the old way of thinking about and doing things. We are still talking about doctor shortages when we need to be talking about shortages of health care teams. We still talk about health care spending as the answer to health when we need to start talking about how to use existing resources better, as well as the impact of all government agencies on the health of our population.

The Ontario government has continued to call on the federal government to work on a manufacturing strategy and EI reform. Should Ontario continue to press its case for fairness for Ontario? If so, how?

We recommend continuing to press for a fair distribution of seats for Ontario in the reconfigured House of Commons.

We recommend continuing to press for increased federal support for municipalities across Ontario.

We recommend calling on the federal government to respect federal commitments made to aboriginal Canadians through the Kelowna accord.

We recommend calling on the federal government to uphold the commitment to fund and implement a public, universal child care program for Canadians.

We recommend pressing the federal government to develop minimum targets for general and child poverty reduction.

That, ladies and gentlemen, is my presentation on our health issues. Again, I'm not an expert on health, but if you have questions, I'll do my best to try to answer them.

The Chair (Mr. Pat Hoy): Thank you, and this round of questioning will go to the NDP.

Mr. Michael Prue: Thank you for your presentation.

I have a few questions about oral health. You started off with that. The government has committed to, I think, a relatively small oral health program in this Parliament. What is the state of oral health in First Nations communities? How many kids have access to dentists or go to dentists to repair their teeth? I'm not talking about

pulling them out. Is this common, that kids have this access?

Chief Lyle Sayers: More and more as time goes on, the commitments by the federal and provincial governments are less and less. Not a day goes by where somebody isn't calling me and saying—for example, I have an elder who has twice called me with regard to her eyes. For a simple test, it costs over \$100 that she now has to pay for. She's on a fixed income. I mean, 150 bucks goes a long way in their day-to-day lives, and that comes directly from their pocket to pay.

As for oral health, I can tell you I have children who have gone through the system. I ended up paying a lot in order for their teeth to be properly taken care of. The majority of our members probably don't have that care because they can't afford it. They can go and get their teeth checked or whatever, but when it comes to major work, there is a cost involved and it's not picked up fully by the Ontario or the federal government. So it is a struggle and it will continue to be unless something is done to correct it.

1010

Mr. Michael Prue: Is it common for First Nations children to lose their teeth, even at an early age?

Chief Lyle Sayers: Based on my personal views, within our territory we're doing fairly well in terms of providing for our children. But I can tell you that in a lot of communities up north, it's bad. The isolated communities, the communities where there's no access to some of these dentists etc.—it's terrible. People are suffering. When you've got toothaches or problems with your teeth, it affects everything; it's not just your tooth. It affects your thinking, it affects a lot of areas, including your whole system. I don't know what the percentage is, but a lot of the communities are struggling because of poor health care, including dentists, vision etc.

I can tell you that in our area—say, for example, Garden River—we're doing fairly well. We're a progressive community and are able to assist our members on occasions. But in remote communities and communities that are struggling, it's terrible.

Mr. Michael Prue: You talked about the second-class funding: \$15 million less than other systems would get. I wasn't quite clear on where that second-class funding is occurring.

Chief Lyle Sayers: That's one of the questions I hoped you wouldn't ask me, because—

Mr. Michael Prue: Then I'll ask you another one.

Interjection.

Mr. Michael Prue: All right. You deviated from speaking about First Nations communities to speaking about immigrant communities and the three-month wait for OHIP. Is that a particular problem in your community or in this community?

Chief Lyle Sayers: Not in our communities, but when you look at the issue as a whole and where the monies are going to assist people, a lot of it is going towards new people coming in, or it should be, because when they do come in, a lot of their health issues are not resolved.

They're bringing them with them. When it costs more to put money in there, it'll save in the future in terms of where those monies are being—if you prevent the problem, there won't be a problem in the future. In a way, what we're saying is, put the money where it should go. Assist them so they have better health and we're not paying for their long-term wellness in the future. Stop the problem now, save the money; whereas five years down the road we have an immigrant who wasn't looked after when he first came, and that problem could get worse and cost the taxpayers a lot more money.

As to where you're putting the money, what we're saying is, prevent it now. Stop the sickness from happening when they get here and not five, six years down the road where it's costing more money to try to assist immigrants in terms of their health. They're like anybody else; they're not different. They need that help.

The Chair (Mr. Pat Hoy): Thank you. You mentioned that you might provide some other information. If you do that, would you give it to the clerk, and then he'll make sure that everyone shares in that.

Am I correct to assume that one of you'll be making the next presentation? Okay. Then I'll just put it on the record here that the Garden River First Nation is making the next presentation. You've introduced yourselves already, so you would have another 10 minutes, the same format. Go ahead.

Chief Lyle Sayers: My next presentation deals with funding for our government. We're well aware that the federal government has the responsibility of First Nation communities, but we also know that we have a lot of agreements with the province, whether it's policing—there are tripartite agreements, health. So money has come from the province to fund certain areas of communities. With that, I'll read my report here.

We want to end our presentation by offering a few remarks on an issue that raises the notion of a government-to-government relationship, a relationship that is built upon the first law of the Anishinabek, and that is the law of respect.

Clearly, we understand that our principal relationship is with the federal crown; however, there are certain constitutional and legal responsibilities that are shared with the province of Ontario. For our people this relationship is set out in the Robinson-Huron treaty of 1850. In fact, it was our leader Chief Shingwauk who led to the negotiations and signing of this historic treaty.

Indian and Northern Affairs Canada offers band support funding to meet the cost of the administration of First Nation governments as we discharge our responsibilities under a legislative regime in the area of governance. Band support funding is intended to assist in administering and managing our local governments. Funding received from the federal government is of a modest amount, to the point of insufficient and inadequate. In fact, the amounts that have been allocated to First Nation governments have remained relatively the same for years. As a result of old and outdated formulas, our governments continue to bear the burden of cutting off services that are needed by our citizens.

The inequities place many of our communities in financial peril; that is, in order to provide needed services to our citizens, we fall into deficit. For example, funding for funerals and burials has remained the same for years, yet the cost of burial rites has increased. Other areas that band support funding supports are basic overhead, professional fees, employee office costs and major infrastructure services.

The formula that drives these services is based on our registered membership or the determination of our citizenship. In the most recent census taken by Canada, they have grossly misrepresented our demographics. While we have been penalized in the past for our membership numbers not reconciling with INAC, this will continue to occur since there is no motivation for us to participate, given that our reporting on who our citizens are is not recognized.

To remedy this situation, we believe that a joint federal-provincial-First Nation process needs to be established that properly and accurately reflects who our citizens are and, more importantly, who legitimately represents them. Therefore, if band support funding or other specific provincial funding is based upon membership, we will continue to lag behind until our reporting is recognized.

To enhance the quality of life in First Nations' evolving needs, we need to build a meaningful and collaborative partnership that gives access to the lands and resources as set out in our mutual treaty entitlements; a tripartite relationship that moves beyond conflict and despair and embraces shared benefits; a process that develops common understandings that meet our changing needs; a process that is innovative, restores nationhood and brings a positive experience to Canadians, Ontarians and the Anishinabek. It is our intention to support key developments that are culturally relevant and that give recognition to First Nation laws.

To address the challenges of the inconsistencies of band support funding in the operations of our governments and governance, we propose an opportunity for all of us, and that is to establish a special committee of federal, provincial and First Nations experts to explore this idea. To ensure that there is legitimacy to the committee, it must have the power and authority to make key recommendations that are supported by all levels of leadership and have an implementation process. We would need to scope out a joint and mutual process on the framework of this committee.

To do nothing will only fan the fire of conflict and unrest. As long as we feel that there is no clear process of consultation and accommodation on matters of importance to our lands and resources, we will remain at odds. To avoid this looming crisis, we offer this recommendation in a respectful way that will give all of our citizens an opportunity to have a say. The establishment of this committee would address the severe underfunding of band support funding for First Nation governments and where cost sharing with the federal and provincial governments can be explored.

As the Ministry of Finance for this great province who has been charged with tremendous responsibility, we want to stand with you and bring prosperity and hope to all people who reside here, for our children and those yet unborn.

Just a final comment: As some of you may be aware, there are many, many communities that are in third party management. It's not because they're mismanaging; it's because they're underfunded. It's very difficult to run a government on short resources.

The other problem we have: In Garden River, for example, we have quite a few members who have graduated at the post-secondary level and are getting picked up or eaten up by other organizations and governments. We're having trouble bringing them home because we can't afford to pay them. They're making good money now because they went through the system, and they're being successful, but we want them to be successful in Garden River. The only way to get them there is to pay them properly, and the way it is now, we are unable to do that.

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It's a matter of governments looking at it and trying to help us. We are getting educated, and we're getting much better at what we do in running our governments, but we can get better by allowing our people to come home and paying them a good wage to help us help our people and help Canada. Meegwetch.

The Chair (Mr. Pat Hoy): Thank you. Now we move to the government.

Mr. David Oraziatti: Thank you, Chief Sayers, for being here today; as well, Dianne, thanks for being here.

There are a couple of things that I want to touch on. One thing I want to get on the record here before I ask you a question is what I've noticed about the presentations that are scheduled today in Sault Ste. Marie: 10 of the 13 presenters are First Nation organizations, and that's fantastic. The last time the community received the committee, there were very few First Nation presentations, but I think what that highlights is the role the federal government needs to continue to play to provide resources for First Nation communities right across the province. I can certainly say that we're not going to diminish our role in advocating for First Nations with the federal government, regardless of who the federal government is, regardless of the stripe of the federal government. It goes without saying that strengthening First Nation communities in this province is in the interests of all Ontarians.

I do want to ask you a question similar to the one I asked Chief Fisher about the role the province can play, specifically in a couple of initiatives; if you want to perhaps highlight a couple of things that you think the province could do specifically to improve the quality of life for First Nations groups in Ontario.

Chief Lyle Sayers: It's not included in my presentation, but when you're talking about a specific item, and again this goes back to education, I'm finding that's the key to our success. I see it in Garden River. The

people who are working for us now are excellent. They're knowledgeable and we're making movement. In the past, it was always status quo; we never moved. We made a lot of good suggestions and had good ideas, but we just never took that extra step. In the last five years we've done that. We've created a number of businesses because of the people we have working for us.

Garden River, along with the Shingwauk trust, is working side by side with Algoma University to develop our own university, Shingwauk university. I think that at some time in the future, if we do get our charter, that's going to make one giant step in the right direction. It'll take time, but once we start getting our students from all over Ontario and Canada to come here, you're going to see a definite change in terms of our communities getting better at what they're doing. If we're uneducated, we're not going to go anywhere. I know that. I've seen it. I've been around long enough. It's happening.

Mr. David Oraziotti: You're aware of, and certainly Ms. Manitowabi highlighted in her presentation, the additional resources that the province is putting into supporting aboriginal education in Ontario schools. I know we had an opportunity at the Anishnabek conference out in Garden River, and Minister Bryant attended as well, and the discussion was a bit vague, but I do want to ask you: Can you perhaps clarify for the committee your position on the Casino Rama agreement, or whether or not you'd like to see discussions continue on that issue, or whether or not you think—

Chief Lyle Sayers: Casino Rama: I do know that negotiations have again been completed. There's an agreement that's coming back to the table. I guess we're meeting in a week or two to discuss it. At this point I'm in favour of the agreement. As some of you may be aware, I'm very—with regard to jurisdiction, Garden River is holding the case that we have the right to make our decisions in our own territory.

Garden River is not looking to build a casino. Those things are, how would you say—there's too many. It's not profitable, or it can be, but we do have a bingo hall under our own law that we're running, and we're doing okay with that. We're not looking at big bingos; we're just looking at the day-to-day stuff, regular bingos etc.

As for the agreement itself, I believe that aspect has been taken out for now and for another day. Money-wise, I think it looks good. I think it'll benefit us as we move forward and enable us to do more things with that. So I'm hoping that once you look at the final details, jurisdiction is left out for another day and we can move on with the new agreement, which I think would benefit all of our communities.

The Chair (Mr. Pat Hoy): Thank you for your presentations this morning.

Is Serpent River First Nation here?

Interjection.

The Chair (Mr. Pat Hoy): I'm advised that none of our other presenters are here yet, so the committee will recess until one of them arrives.

The committee recessed from 1026 to 1044.

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now resume. First, for the committee's benefit, Serpent River First Nation has cancelled—the road is closed—and, by agreement of the subcommittee, will appear in Timmins.

MISSISSAUGA FIRST NATION

The Chair (Mr. Pat Hoy): Now we're at our 11 o'clock, the Mississauga First Nation. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Mr. Wally Van Dyke: Thanks very much. I'm Wally Van Dyke. I'm here from the Mississauga First Nation and I'm the education director. I'm a retired person, actually. I'm a retired teacher. I've worked with kids since I was 18 years old; I guess for about 40 years. I served in a number of different capacities. I worked with street kids, I worked with a lot of tough kids, and found some things that worked with kids, and I'd like to share that with you this morning.

I want to talk to you about the human casualties in our school systems and outside of our school systems. I want to talk about bright-eyed kids who end up in situations that none of us care to see much of. As a worker at Youth Haven in Barrie, I can't begin to describe the kinds of situations that I've had to face. I've dedicated my life in teaching to doing something with at-risk kids. I have a lot of frustration with the process because I see pockets of really neat things being done and I see nothing being done from a systemic process that's going to ensure that those pockets can continue.

I guess the question remains: How do we lose these kids? I'm going to describe a few ways to you. Basically, I submit that the conventional education system doesn't work for many of our students, particularly for aboriginal and at-risk students. It begs the question: Why not? My theory is that a lot of students get stuck in a loop. I've watched that loop happen again and again, and as a teacher, you're powerless to do anything about it. They're in the loop. They'll get into trouble at school—usually minor stuff. They'll get detentions; they'll miss or skip those detentions. They can get into conflicts with their teachers, their peers. Suspended, they'll start to do poorly in school, lose interest in school, start skipping some more, get into more trouble, more suspensions, skip more. Eventually they lose so much school time that it's starting to look like a wipeout for them. They'll get into drugs, alcohol, hormones, anything else to change the situation for them. And they'll fail some or even all of their courses.

At the end of year one that's the situation. They haven't gone very far that year. So year two, they'll go back for a fresh start. At guidance they'll get the little pep talk and a new timetable. Funnily enough, it looks a lot like last year's timetable. So you're at two starts. You saw the loop last year; the loop happens again. They'll

get into trouble: detentions, missed or skipped detentions. I don't need to go through the whole process again. It's a pattern that just gets repeated.

At the end of year two, most of the credits are failed again. So year three, they might go back for a fresh start; they might not. At guidance they'll get their little pep talk, they'll get handed their timetable: "You failed this; here, take it again. You failed this; here, take it again. You just squeezed through this? Take it at a lower level." The problem is not with the level; the problem is with the interest and the challenge.

So here we go with year three. I don't need to spend a lot of time with this slide because it's exactly the same, except the administrator would step in. He'd warn, "Hey, you're 16 now. We don't need you around here. If you don't straighten up, then we'll do something about it. You'll be out of here."

We've changed that, though. Now we wait till 18 for that same statement to happen. End of year three: Most of the credits are failed. Year four: They'll go back for a fresh start again, possibly—probably not. The administrator will warn, "You're 17." Now, we'll just have to wait till their 18th birthday partway through the year. Guidance, another pep talk, a new timetable—they're struggling. Yes, it's a loop, and it spirals downward and we're losing kids left, right and centre. So now we know how we lose them.

It's not that the courses are too hard for the students; instead, the students are too challenging for the courses. There are some really neat things to teach. I'm going to show you a few things that could be taught. I see excitement in the kids every time they take them. We need to challenge these kids. If we continue in the way we're going, as their self-esteem and behavioural issues spiral out of control, in order for them to find some self-esteem somewhere they'll look in other areas. Drug and alcohol abuse spirals out of control as well; hassles at home etc. It's a really familiar tune. As long as that scenario continues, the chance of excelling in educational, occupational and societal areas becomes more and more diminished.

In the end, the individual has not only lost valuable education time in the adolescent time period, but now they might be fighting bigger dragons: addiction and/or crime. Even if they beat those dragons and turn their lives around, they're still forced to play a tough educational catch-up game. I have kids walk into my office so many times—19 years old, five and a half credits; 19 years old, eight credits; 40 years old, no credits. That's a long road to go. Both the individual and the community suffer.

1050

I think the cycle can be broken. Here's the way I've seen it broken, time and time again—I've never seen it fail. We put in a program like that at Nantyr Shores, the school I was at just before I retired. Students with multiple grade 9 failures were targeted for a special at-risk program. There were 17 kids there with six or more failures that we picked out. I could have picked out 27 or 37 in that same school. Two kids had eight failures—a

total wipe-out year. Students were given an adventure-based package—a four-credit package. I taught communication technology, which is really high-tech AV—audio production, video production, digital photography, photo re-touching, website authoring, 3-D animation, all kinds of neat things. We paired that with English. We had science and phys ed paired together.

These are the kids. They're not stupid kids; they're not bad kids; they're just kids. They want to learn. They want to have fun. They want to see different places. They want to be challenged. You get them 40 feet up in the air and you got their attention. They want to be stretched. They want to have some time on their own, some downtime.

I had these kids take self-portraits and scenery pictures when they were out there. That's one of the best scenery pictures I've come around in a long time, and it was taken by a kid who was written off in the school system. This kid ran like heck to try and get to that spot with a self-timer on, but he had to do it himself; we couldn't take it for him.

They want to talk sometimes. They want to get quiet sometimes. They want to just take time to enjoy things sometimes.

We teach them some self-concept. It's an adventure-based counselling program, a series of well-designed adventure activities that give them success experiences, which helps them feel good about themselves. There are trust-building exercises, there's goal setting, there are group experiences. Basically, if you build on physical trust and the necessity of it when they're belaying a knot—without trust, there's no glue to hold the relationships together. So that's the important first step. Then the transfer from physical safety to emotional safety happens easily. There's no more passiveness and resistance to learning. A kid sitting in your class: "Yeah, just teach me how to learn if you can."

They do need things. They basically co-operate and things gel. There are magical moments. There was a kid who wanted to do the portage by himself. He talked about it the whole trip. He couldn't do it. Halfway through he was going to *[inaudible]*, and we said, "Just a minute. Here, we'll *[inaudible]* it." So it's an inefficient process, but the bottom line is, we didn't push him into it; he decided he wanted to do it, so we supported him in that effort. There are two people watching, one person carrying, but the point is, the person did it by himself and was proud of it.

There's a lot of theory behind it. There's an adventure wave—briefing, peak experience, debrief. There's a bedrock of trust throughout underneath the instructor and the group. It's not new stuff. This curriculum was around in the early 1980s. It works. We know it works, but we're not using it.

The end result at Nantyr was, at the end of the semester, all 17 kids got all four credits. That's a 544% increase—not 100%, not 200%. Those credits weren't "gimme" credits; they earned them. It was a total turnaround in school. Their self-esteem was re-established. They were back on track.

Put in perspective, for that group of students, they averaged 1.47 credits in that first year of school. At that rate, it would have taken 20.4 years to get through high school—not going to happen. Sadly, some of those kids might not even have made it through those 20 years, and thousands in this country are on exactly the path. I said that I could have taken 27 kids out of that same school. You can do that in schools right across the province.

There are a few reasons to break that cycle: for the sake of humanity, for these kids, for the community, and I think for the dollar.

I want to address the financial perspective since this is a financial committee. At current INAC rates, instead of about \$750,000 to educate these kids, it would have cost them almost four million bucks. That doesn't even begin to count the spending on the extra items that would happen if there were problems with these people's lives. While we're trying to meet budgets, that extra money is spent for negligible benefits year after year after year. "Here's another four million bucks; here's another four million bucks;" and it's maddening in teaching. If we assume that the failure rate is 5%—and it's actually a lot higher; for us it's almost 50%—for every 1,000 schools, that's like running 50 of them for nothing. You're paying for school plant, for staffing, for resources, and still we think we don't have a few extra bucks to throw into an extra program that might make a difference for kids. So the loop continues year after year, and we expect things to change. It's nuts; that's the definition of insanity. Let's stop that, and let's get on to recovering students.

It's a systemic problem, and it needs a systemic solution. Here's the solution: You start with some awareness. You build centres. As far as different areas of the community are concerned, you've got healthy living concepts, health centres, not disease centres, like our hospitals; personal initiative centres, where you work on self-concept; education design centres, where you design a different type of education; healing centres; and historical-cultural centres. You build programs around those.

When you're talking about journey-building kinds of ideas, you need to look at confidence matters. You can do that through initiatives. If you're looking at schools, you need preparation matters, and self-concept is the foremost point in that preparation. If you're looking at helping people who have fallen off the wagon, you need to look at programs that will provide healing, because the individual does matter. If you're looking at building community, it's really important because, yes, community does matter, and the community is only as strong as how well it takes care of the individual.

I think we should be working on building an equal economy. There's lots of neat things that can be done in the north here as well, because business does matter and it's important.

To do all that, you need vision. You can't be retrospective about things. This system works because it works with the individual and the community, it works with education and the economy, and it works with

journey-building and visionary kinds of things at the other end of the spectrum, helping those who are having difficulty with that. It all works together.

You can put some neat programs in place for kids. We had a studio where they did a cable TV show. They can get creative with things. You can put a few dollars toward some equipment that's going to make a difference for kids, and it's no longer questions and answers off a sheet of paper. This is an animation a kid did: The top flips open, the wheel spins and the flame comes out. The kid was just amazingly proud of that animation. Same thing here: It's a 3-D modelling scenario; it doesn't exist, but they've got texture and everything, and it's helped them in their journey-building process.

Journey-building is a conscious choice, it's a visionary imperative, and it's a human need, as far as I'm concerned. Kids need that too.

The Chair (Mr. Pat Hoy): You have about half a minute left.

Mr. Wally Van Dyke: Okay, thanks.

You can work on an equal economy, because we need a different economy. We can look at an imploding, commodity-driven, oil-based economy, or we can look at a growing economy.

There are all kinds of neat projects. I've done buildings with kids. There are amazing things that can be taught. Thomas Edison had a line about putting his money on the sun and solar energy 100 years ago. There are all kinds of neat products and things that need to be taught. If we're teaching construction, we shouldn't be teaching it out of textbooks that are 30 years old. We're educating for 20 to 30 years into the future, and we need to keep that in mind. There are all kinds of products out there—chainless-drive bikes, amazing things—and different courses that can be taught, and it all happens through that.

We need better value for our education, and there's a handout that describes that.

I'd like to make a proposal that we have special student-recovery departments. Aboriginal education centres could function as satellite schools for that, for at-risk programs. We could implement short-term recovery programs, up to five-day programs—get the kids out, sit them down and say, "Hey, what's up?" and get them through a ropes course etc. You can have long-term recovery programs as well, multi-credit packages like we did there.

We owe it to the kids, and that's the reason why. They're just kids, but I'll tell you, that's our future, and unless we're plopping some extra money into some of those kinds of programs, we're not going to make it as a school system.

1100

I want to share with you that that program at Nantyr shut down the year I retired, and that was the reason I retired. When I see stuff you can do with kids where you get that kind of success, and they say, "No, there's no extra money in the program for that," it's as frustrating as hell for teachers. So now I'm retired; I can do a few

things on my own. I did a lot of work with the Mississauga First Nations. I saw programs that made a difference for kids there. We worked with the APS community, the Anishinabek Police Service, to put kids and cops together. There is just so much that can be done.

Unless we have targeted funding that's systemic in nature, we're going to continue to have pockets of little programs like Nantyr that pop up here, there and everywhere else when someone has a good idea, and then the program funding doesn't continue, the program shuts down, and we have lost it. I think it's a shame. Thanks.

The Chair (Mr. Pat Hoy): Thank you, and we'll move to this round of questioning from the official opposition.

Mr. Toby Barrett: Thank you, Mr. Van Dyke. I want to commend you for your work to bring your vast experience to what is a fairly serious issue. The Mississaugas of the New Credit are down my way. I'm rural south.

Mr. Wally Van Dyke: Actually, this is the Mississauga First Nation that's along the north shore, the north channel.

Mr. Toby Barrett: Yes, okay, and you're based at Blind River?

Mr. Wally Van Dyke: That's right.

Mr. Toby Barrett: You mentioned—what was it, the school?

Mr. Wally Van Dyke: Nantyr Shores Secondary School.

Mr. Toby Barrett: Where is that?

Mr. Wally Van Dyke: It's a new school just south of Barrie. I was a technical director at that school. I've put in about 25 technology labs in Simcoe county. I used to serve as a technology consultant for the board. That was a new school there, and we had a chance to put in some really interesting equipment. We had a third-year Ryerson student come up to speak to the students and he was just blown away. He said, "My God, these grade 11 students are doing second-year Ryerson work here." That's the kind of interest. If you look at the shot of the students working on the computers, they're all focused; there's no playing games. They've got neat things to do and they enjoy doing them.

Mr. Toby Barrett: We heard from Pic River First Nation this morning of another success story as well in a particular school. We also heard the lament about the lack of funds from the federal government. One of the figures we got was that elementary teachers at native schools make 30% less salary than other elementary teachers.

Mr. Wally Van Dyke: That's exactly true. My salary is a lot less now than when I was teaching in the public system, and I have a more responsible job. That's a real problem—parity between the aboriginal schools and the public schools, for starters—and also individual students.

Mr. Toby Barrett: One other thing we heard, again with one particular community, was cuts to IPRC identification, and they made mention of substance abuse and, again, concerns with FAE and FAS, fetal alcohol syndrome. I'm not sure why that would have happened. I

don't know whether that's a federal decision or a provincial decision as far as this—

Mr. Wally Van Dyke: I'm not sure either, and it is unfortunate that there is such a significant difference.

Mr. Toby Barrett: So I guess it's an easy question to ask: How do we fix it? Do we scrap the federal system? Do we hand it over to the province? Do we set up native school boards? Do we look at other models? I think of the Amish community in New York state, where they asked the New York state government to leave all the old one-room schools. I am a graduate of a one-room school. It worked for me. Our farm was out in the sticks, and it worked very well. Maybe it didn't work for everybody. Is that the model that we're seeing in native communities?

Mr. Wally Van Dyke: Our First Nation is tied into the public school boards fairly closely. We have tuition agreements with them. We have an adult education school on-site. The concern is that by the time I see the adult students, a lot of them haven't gotten through their OSSD, and it's for reasons like I outlined.

Mr. Toby Barrett: That's high school, is it?

Mr. Wally Van Dyke: The OSSD is the Ontario secondary school diploma, yes. So they haven't gotten through their high school.

In an adult scenario, I think we should be looking at continuing education, not at catching up for high school. That's why I've been working with the high schools. We're looking at putting in a residential centre that would deal with at-risk kids. But I really want to emphasize that this is not about what we've done at Nantyr or what we could do at Mississauga. This is a systemic problem that really needs to have a focused approach. I'd like to see the Ministry of Education take a hard look at that concept. Whether it's done federally or provincially, it's the model that needs to be addressed.

Mr. Toby Barrett: Just a quick one: The Ministry of Education does have an aboriginal unit.

Mr. Wally Van Dyke: Yes.

Mr. Toby Barrett: Do you work with them?

Mr. Wally Van Dyke: Yes, we do.

Mr. Toby Barrett: What do they do?

Mr. Wally Van Dyke: In our local high school, for example, we have a native resource room. That's just been initiated fairly recently. It provides a room for aboriginal students to go to and feel more comfortable, where they can take a team approach to it. It's been a great help, but there's more that needs to be done for the general at-risk student population for starters, and in particular for the students who aren't making it to school because they're skipping and running into the hassles we talked about.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

MAMAWESWEN, THE NORTH SHORE TRIBAL COUNCIL

The Chair (Mr. Pat Hoy): It's my understanding that the North Shore Tribal Council Education Unit is here. Would you come forward, please? You have 10 minutes

for your presentation. There may be five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard, and you can begin.

Ms. Marnie Yourchuk: Thank you for this opportunity to present to you. My name is Marnie Yourchuk. I work with the North Shore Tribal Council as the education program manager. My roles and responsibilities are to the seven First Nations along the north shore. That includes Batchewana First Nation, Garden River First Nation, Thessalon First Nation, Mississauga First Nation, Serpent River First Nation, Sagamok Anishinawbek, and what was formerly Whitefish Lake First Nation. They have recently changed their name, and I apologize that I cannot pronounce their Ojibwa name properly—I apologize, but it is formerly Whitefish Lake First Nation.

My roles and responsibilities lie in education, right from daycare to elementary, secondary and post-secondary. I sit on several committees at the post-secondary level as the native adviser. In my presentation today, I'm going to highlight some of the items in the briefing notes just to bring some of the concerns forward.

As you may be aware, lifelong learning is a treaty right and it's not defined as provincial or federal. Part of the problem lies in the jurisdiction. The First Nations that I represent have federal funding; the federal funding is not adequate to pay for provincial school board tuition agreements and other items. Also, daycares on First Nations are funded and regulated through the ministry, and that is once again provincial, so there are a lot of jurisdictional issues.

Again, I'm just going to go through a little bit of the briefing note to highlight some of the items.

Adequate funding has always been an issue, as well as jurisdiction, so there need to be some intergovernmental discussions on how you could streamline it as well as to better adequately fund it, but also to be more efficient in the funding. To do that, you also need to include the First Nations in the discussion.

1110

Just recently, on January 15, thestar.com stated, "Overwhelmed and underfunded agencies say it's a growing struggle to offer services ranging from job training and affordable rent..."

Urban aboriginal populations "often find it difficult to access the services they need to prosper. Off-reserve, they can no longer access the federally funded services once available to them and provincial governments are often unwilling to take financial responsibility, leaving those in need in a vacuum."

We have a very high urban aboriginal population that really doesn't fit with the federal funding. The First Nations aren't able to assist them in their programs because their programs and services are offered only for those on-reserve. So there's a whole group of aboriginal populations in the urban centres that is not receiving any of the services. When they do attempt to receive provincial services, often they're referred to federal agencies which,

once again, were not able to assist those people because our mandate is only for on-reserve.

As a background, recently the Ministry of Education has developed the First Nation, Metis and Inuit education policy framework, and a lot of money has been spent to close the education gap in the provincial systems. We do see some of the progress right now with the aboriginal students, and some of the services are now starting to appear within the provincial school boards. More money, though, is needed.

I'm just going to go to the recommendations on page 3.

Just recently, the Ipperwash inquiry released their recommendations, and education has been a large component of that.

Public awareness campaigns; treaty rights curriculum development—but we need to have the First Nations involved in this. A lot of the money is going to provincial school boards, but there's no control of that money to actually have the First Nations be the advisory group to say, "Hey, this is what works for our students. Take our advice."

Right now those partnerships are developing, but nowhere in legislation, and nowhere, can the First Nations or aboriginal organizations access those funds. They go directly to the province, the provincial school boards, and we have no access to those funds. So where the education needs to lie in the curriculum development, those funds should actually be going to aboriginal organizations to develop those histories, to develop those curriculums, because that's where the truth lies.

Even with treaty rights and public awareness, it should be aboriginals delivering that. It shouldn't be someone who studied native studies and things like that. The truth has to come from within our own First Nations, within our own elders. It should be proposal-driven, where provincial organizations cannot access those funds unless they have aboriginal partnerships.

The funding should flow to the First Nations and not just to provincial organizations.

Cross-cultural awareness and sensitivity training should be required for all public servants and, once again, be delivered by aboriginals.

The Ministry of Education: A new aboriginal department has been created, but there should be an aboriginal department within each school board. Focused curriculum development and resources for native language and native studies are required. Develop native-language teacher networks, professional development workshops and conferences. Money is coming into the school boards for the native resource, like native language. However, we do not have the speakers. And because we do not have the speakers qualified under the Ontario College of Teachers rules—we do have elders, we do have our traditional speakers that hold the knowledge, but they can't access the school boards. The school boards are crying, "We can't find teachers who are qualified." But you're looking in the wrong place. You're not looking at the aboriginal qualifications. You're not looking at the

traditional knowledge that these elders have, our traditional speakers. To us they're the highest-valued teachers within our communities and they're the ones holding the knowledge, except we can't access them into the school boards because of the way the legislation is set up currently; so, annual conferences for native language teachers.

Increase native trustee positions from one to two. Right now we do have representation on the school boards with the native trustees. However, they have a district so large that they include all aboriginals, on- and off-reserve, and the Metis and Inuit within the region. Part of the problem is that the school boards are not allotting travel dollars to visit. If you know First Nations relations, the First Nations require physical visitation. They want to discuss issues in person, but there's only one native trustee to cover this huge area. Just in the Algoma region, we have seven First Nations just with the North Shore Tribal Council, but we have three other outlying ones: Hornepayne, Chapleau Cree and Missanabie Cree, which is local. We also have Michipicoten and Brunswick House. Just to have a regional meeting, those people have to travel three, four, five hours to come to Sault Ste. Marie, so you can see the difficulty in that. So the native trustees should be increased to two, and they should have a travel budget.

Best practices such as ethical space: Right now in one of our schools in Blind River there is an ethical space, meaning it's a native resource room with a traditional mentor worker, where the students can go if they're having a hard time in school or just to study. Instead of getting kicked out, there's a place for them to go just to cool down, collect their thoughts, complete their work and then return back to the classroom. This is working, and I have included a letter. Part of the problem is that there's no continued funding. The school boards are asking First Nations to fund their salaries. With the new monies coming in, there should be money dedicated to setting up these native resource rooms within all provincial schools with high aboriginal populations. It would solve the dropout rate, it would give the students a sense of pride, and it's just a really good way to keep the students in school.

Once again, there should be mandatory native education additional teaching qualifications for all Ontario teachers.

Aboriginal advisory groups core funding: Right now the provincial school boards are creating partnerships with their aboriginal partners, except they once again are pulling from this pot, so there's no money dedicated just to setting up these systems. They should have an operating budget, and that should be within all schools.

Publish First Nations financial contributions. That would just assist with public awareness. Right now, the general public does not understand that First Nations do pay for their students through tuition agreements; just locally, it's about \$3 million or \$4 million. If that was published, it would help with the public awareness campaign.

Breakfast and lunch programs in all schools.

The Ministry of Training, Colleges and Universities: Similar investments in aboriginal education at the post-secondary level are required, so an aboriginal branch or unit within the ministry.

Create an aboriginal policy framework for post-secondary institutes similar to the provincial school boards.

Fund cross-cultural awareness and sensitivity training for all post-secondary institute staff and develop human rights policies and anti-harassment policies. Even today, in the year 2008, these are not happening.

Create more incentives for aboriginal apprentices and employers. There are some barriers in the current legislation.

We need to change the journeyman-apprentice ratio for aboriginal organizations and local delivery mechanisms. Right now we do not have enough journeymen to train the First Nations apprentices willing to go through the program, and that is a real issue.

Increase the aboriginal education and training strategy, AETS, funding and make it core funding for all post-secondary institutes. Right now, every year it is proposal-based, and the post-secondary schools, the universities, aren't aware of what's coming, so it makes it very hard to plan for services and supports within each school.

1120

Recognize the aboriginal post-secondary institute's accreditation process. There is a briefing note attached about FNTI's current funding situation. Locally, we have Shingwauk Education Trust trying to develop Shingwauk university with Algoma University, and it's very difficult to get the funding for that as well as to have the accreditation process. Any aboriginal post-secondary institute must partner and lose funds to an existing post-secondary institute.

I do have some questions attached in regard to the provincial tuition agreements and some questions about funding and jurisdiction, so you can review those at your leisure.

The Chair (Mr. Pat Hoy): This round of questioning goes to the NDP.

Mr. Michael Prue: I have three questions, and hopefully we can get them all in in the five minutes.

You made a very profound statement. You said that the truth lies with the aboriginal community, and I'd just like you to expand on that a little bit. Is it of necessity that the truth be heard from elders as opposed to other people? What is the rationale for that?

Ms. Marnie Yourchuk: Right now, if you're in any provincial school—and I've heard it from principals, teachers. They've said, "I taught the whole three pages on aboriginals, so I've done my job." That is not what's happening. The history books are not written by aboriginals. There are no history books yet about the residential school survivors: what is happening, how it has affected the aboriginal communities.

Just as an example, I remember being a young student standing on a corner in Montreal. There's a plaque on

one of the buildings—I can't remember the street—that says, "Here lies the place where"—I forget which general—"killed one of the aboriginal chiefs with his bare hands." There's a plaque on the wall right on the building. Right now, that's the history that everyone celebrates. It's not good for the aboriginal student. And you wonder why the students aren't succeeding. They do not see themselves in the curriculum; they do not see themselves in a positive way. It still almost says "savages," and that is not the truth.

Pre-contact, the aboriginal communities were very self-sufficient. They had multiple languages, they had trade, they had communities. After contact is when the social issues started happening. If you look back, I believe in the 1920s there was a ministry document from Indian affairs saying that "aboriginals cannot congregate." It was against the law, and if you saw anyone congregate, they'd throw them in jail. That is the reality that most people do not know, and that's the information and the history that has to come out. Then you will start seeing the public awareness, you'll start understanding why there are blockades on the roads: because government officials like yourselves are not moving fast enough on these issues. We have hundreds of years of history that is just wiped out. Up until now, it has not been written in the history books. That's where the money needs to be invested. You need to partner with the aboriginal communities that hold that knowledge.

Shingwauk had a vision—but it wasn't the residential school that happened. He's a local historical chief from Garden River, and there are descendants in Garden River who could actually tell you stories about their great-great-grandfather and all the family and the history there. That is not written, but that is what Shingwauk university is trying to establish. With all the rules, regulations, the hoops that they have to jump through just to get the point across that it's needed, there are a lot of barriers, and they're coming down slowly. It's positive to see that the ministry is finally putting money into aboriginal education, but it's not fast enough. With that, you also have to have the knowledge and the people with that correct knowledge pass it on.

Mr. Michael Prue: Do I still have time?

The Chair (Mr. Pat Hoy): There's a minute left.

Mr. Michael Prue: I'll just skip to the last question. It's about the travel budgets for trustees. In the Legislature, we have travel budgets for each MPP, but we allocate more money for people in northern communities. My colleague Gilles Bisson has a bigger budget, for instance, than I do because the land is vast and he has to visit communities where there are no roads and he has to go by air. How much money would be needed to have the travel budgets increased for the aboriginal trustees to adequately meet face to face with their constituents and to find out their needs? How much are we looking at here?

Ms. Marnie Yourchuk: I don't have the exact figures because it's based on travel rates, but what's happening right now, the school boards—almost out of the gener-

osity of their heart—allow their trustees to go, and may pay for it. It has always been a contention. But what's happening, the North Shore Tribal Council just in this region coordinates those meetings with all of the First Nations to try to eliminate some of that travel and try to better utilize the time of the trustee to have one meeting where we come together. It wouldn't be more than a couple of thousand dollars, and that would be for each school board.

Mr. Michael Prue: So this is a relatively small amount you're looking at.

Ms. Marnie Yourchuk: Yes.

Mr. Michael Prue: Okay.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Ms. Marnie Yourchuk: Thank you very much.

The Chair (Mr. Pat Hoy): If I could have the committee's attention: The next presenter is not here, but there is someone willing to read the presentation into the record. Are we agreed with that? Agreed.

What about questions?

Mr. Michael Prue: How can we question someone who—

The Chair (Mr. Pat Hoy): Okay. Well, I thought I would ask.

We'll ask the North Shore Tribal Council representative to come forward and read it into the record, but there will be no questions. If you could just identify yourself, again, for the record.

Chief Lyle Sayers: Good morning again. My name is Chief Lyle Sayers. I'm also the chairman of the North Shore Tribal Council of the seven communities. I'm in my second term with them.

Norma Diamond was to make the presentation this morning for the tribal council, but she's not here; she was unable to make it. What I have is not her presentation but some of the points that she wanted me to touch on, and it has to do with economic development.

Before I go there, we talked about Chief Shingwauk and his vision, and about the history. I am a direct descendant of Chief Shingwauk. He's my great-great-great-grandfather. Just to let you know, in the War of 1812, there were 400-and-some British soldiers and over 1,700 Indian allies who fought that war. Chief Shingwauk was there, Tecumseh, and other great warriors around our area. If we didn't have the Indian allies, there would be no Canada today; I guarantee you that. It was the Indian allies who saved Canada. If you want to check your history books, that should be in there, and that would make people like myself very proud. What she said is true. We need to put the truth in our history books.

With regard to economic development, I attended the Ontario economic summit in Niagara Falls a couple of months ago. There were a lot of MPs, MPPs, university presidents, people who run Ontario. I was very proud to be there. I went last year and I went again this year. What I found was that there is very little known about First Nations people. They talk about bringing in immigrants to fill in the lower-paying jobs that need to be filled but

people don't want, and they're talking about ways to attract them. In the meantime, we have communities in Ontario—134 communities—that have people who want to work, yet they're not being looked at to try to resolve some of these problems. We've got good people who are being ignored, I guess, if that's the proper word. But we want to bring in all of these other people to do these other jobs that are maybe not as high-profile. I have told them twice now that they need to come to our communities and start lobbying us and coming to us to try to fill some of these positions, because we're there.

Another issue that we have with economic development is our land designation. We have many, many people—non-natives—who want to do business with First Nations, but because of our land tenure, they don't have the security. If they put up a building or their machines and that, they don't have the—I don't have the proper word—when you put something up for collateral, they don't have any way of protecting it under the rules, the way they are now. The government says to us that we have to designate our land, which means we have to give it to the federal government, the government gives it to the province and then they give it back to us. "Now you can designate the land." What we're doing is, we're giving up our land. That's what's happening. Garden River, for example, refuses to do that. We will not designate our land. Yet we have all these people who want to do business with us, which would benefit not only Garden River but Sault Ste. Marie and other people.

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Again, it's the Indian Act that does that to us. We need to set up some kind of tripartite. I keep saying this because it's important that the province be involved in our discussions. We do it in a number of other areas. We need to do it here because, if you've got a family that's working, that has money coming in, that's a success story. I see it every day in Garden River. We do have successes. The more we can do it, the better off we're all going to be. I keep saying that. I'm not just here for the Anishnabek people; it's for all Ontarians and how we can do business together. You need to look at us in a more positive manner. We're looked at as not educated, that we like to drink, that we like to smoke, we like to do this, but we're not looked at in a positive manner. We need to change that thinking, and the only way to do that, again—and she mentioned it earlier—is to make individuals knowledgeable about us and what we're all about.

In northern Ontario, the economy is dependent on natural resources, non-forest timber products and eco-tourism. In southern Ontario it's more industrialized. You've got a lot of business with the United States, so you're able, because they're closer, to get a lot more of those businesses. There is less employment in agriculture, forestry and mining. Capacity-growing sectors are information and technology, financial and business services.

Requirements for First Nations economic infrastructure: When I talk about designated land, that creates

the problem, because we are unable to bring people in to develop partnerships with us. When I go to FedNor for funding, they immediately contact Indian Affairs. Red flags go up: "Oh, that land's not designated. We can't fund it. We can't do this; we can't do that." I hear that on a daily basis, not only for our particular area but from other communities. We're maintaining our infrastructure, but the monies we do have coming are very minimal.

Skilled resources: We can't pay the people, as I mentioned earlier in my other reports. We've got some good people out there, but we're just unable to get them home because we cannot pay them what they should be making. We always seem to be at the bottom of the totem pole when it comes to paying salaries. I don't know why. We always seem to be underfunded.

Training and skills development: A gentleman made a presentation. It works on how you educate people. We need to think out of that box, think of better ways we can develop our membership.

Access to capital; access to local and regional, national and global markets: Again, in Garden River we're doing that. We're trying to reach out to the United States etc. to sell our products. We've got some products that we want to sell and we need help from the government to get through some of this red tape stuff that we need to go through in order to move forward.

I would invite you at some time, every one of you, to come to Garden River and have a look at what we're doing. If we can do it here, we can do it anywhere, but we need your help.

Viable projects for First Nations; obtaining a skilled workforce that is educated and trained in current sectors; tuition and training benefits; partnerships with industry, and renewable energy: People knock on our door on a regular basis because we're beside the Great Lakes. We'd love to do business but we've got too many of these hoops we need to jump through, and that scares off the non-natives who want to work with us. It scares them off because we can't protect them. We're here to do business. We're not here to try to pull the wool over anybody's eyes. We're here to work with the non-native society in the best way we can. In order to do that, we need to get rid of that red tape in order to employ our people and non-natives. Let's all work together.

That's basically it. I wish I had her document but I don't. We'll make sure that we do get you a copy. Thank you.

The Chair (Mr. Pat Hoy): Very good. The committee, every member, will get a copy of that. Thank you for your presentation.

ELEMENTARY TEACHERS' FEDERATION OF ONTARIO—ALGOMA LOCAL

The Chair (Mr. Pat Hoy): I now call on the Elementary Teachers' Federation of Ontario—Algoma Local. Please come forward. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to

identify yourself for the purposes of our recording Hansard.

Ms. Vel Liut: My name is Vel Liut. As president of the Algoma district elementary teachers, I welcome this opportunity to participate in these consultations.

I represent approximately 460 public elementary teachers in Algoma district, a region which is unique in its geography and diverse in its composition. At the time of amalgamation, six predecessor school boards were brought together to form one district school board and, thereby, one elementary teacher local. In area, this is 70,000 square kilometres, with communities clustered in six main areas and, as I like to say, a lot of trees and moose in between. We extend from the town of Spanish to the east, west to Sault Ste. Marie and north to Elliot Lake, Chapleau, Wawa and Hornepayne.

Access, transportation, sharing of resources, distance from a major centre and declining enrolment are the realities of our district school board, all of which represent major challenges where funding and finances are concerned. As well, the funding cuts imposed by the previous Conservative government resulted in serious program losses and represented a major setback to public education in Ontario. After a decade of public pressure, Dr. Rozanski's task force and a Liberal government since 2003, education has seen a 17% increase in funding, which is substantial and welcome. We are rebuilding our public education system, and this government has made it a priority. Adequate funding is the key to ensuring a high-quality education for all students. Our schools are good and they're getting better, but more can be done.

ETFO remains concerned, however, about the discrepancy which exists between the funding of secondary students and the funding which is targeted for elementary. This gap in funding has created a two-tiered education system, and it is this point I wish to address first.

Historically, the student-focused funding formula has placed a higher value on secondary students than elementary students. In 2007-08, the gap in funding between an elementary and a secondary student is \$711. We also understand that this gap is narrowing, with the government's focus on education and mending the damages done in the last decade. In 2003-04 this gap was \$1,318, and that's a 46% improvement in four years. However, \$711 is still a significant amount, and this shortfall represents a barrier to ensuring that all elementary students receive the high-quality, well-rounded education that our elementary students also deserve to be successful. This means fewer resources in elementary classrooms, fewer specialist teachers for elementary students and less preparation time for elementary teachers. A considerable number of ministry initiatives aimed at improving student achievement have been put in place in the last several years. Our teachers have continued to embrace these new ideas and have kept abreast of new programs and professional development necessary to stay current and raise student achievement. Student success is dependent on better funding for elementary education, so that school

boards can afford to hire the number of teachers they really need to reduce class sizes in junior and intermediate grades and to provide the kind of planning time that is necessary for teachers to prepare and assess. There seems to be no rational explanation for the difference in funding between the two panels.

The foundation grant: Most of the line item differences in the foundation grant are also inexplicable, particularly since they are on a per pupil basis. Why is staff development per elementary student \$1 less than per secondary student? That small difference means a loss of \$1.25 million to elementary education. Why are textbooks and learning materials funded at \$27 more per secondary student than elementary student? This means that \$34 million is not available for elementary resources. Why are classroom supplies funded at \$105 more for a secondary student? That is a loss of \$131 million for elementary classroom supplies. Why are classroom consultants funded at \$6 less for each elementary student—a loss of \$7.5 million? Elementary students receive \$14 less than their secondary counterparts for classroom computers, a loss of \$17.5 million. We are wrestling with this data and can find no explanation for the differences.

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The Liberal government has acknowledged that the gap in funding is problematic by having addressed 46% of it since 2003. It has also promised \$150 million to assist students in grades 4 to 8 over the course of this mandate. We look forward to this next step in reducing the gap further and hope that an even longer-term plan will be forthcoming to address the overall discrepancy.

Declining enrolment: Enrolment projections for Algoma schools show a steady decline. This is also true for all but about six school boards in the province. In addition, many Algoma schools are located in small rural communities which are some distance from the next school. Many buildings are in poor condition and indeed have been deemed prohibitive to repair.

Although it is obvious that some of these schools will need to close because of enrolment, the newly created consolidated schools will need to offer a better alternative. Specifically, each school should have a full-time teacher-librarian. In spite of the government's current emphasis on literacy, few elementary schools in the province have a teacher-librarian, whose role is to assist students with literacy and research skills. Algoma's elementary schools do not have any teacher-librarians, but rather a few hours of library technician time, usually shared with other schools or duties, comprises the sum total of this kind of support. None of our elementary schools even qualify for funding for a teacher-librarian.

Elementary students are disadvantaged by this per-pupil approach to funding. The funding for guidance teachers is also insufficient for even the grades 7 and 8 classes to receive support. Once again, the per-pupil funding model does not allow most elementary schools to generate even one tenth of a guidance teacher.

If the government is serious about improving high school graduation rates and if it is serious about its focus

on ensuring that students who struggle academically receive the individual support they need to succeed, then more resources need to be allocated to elementary programs and the staff who support students at risk. Many at-risk students learn best through hands-on learning. While our generalist teachers in Algoma do the best they can, nothing can compare with the potential an elementary student can achieve with smaller class sizes and specialist teachers who have the time and resources to provide for those who need extra assistance.

Minister Wynne has been touring schools observing the impact of the primary class size cap, and was heard to say in Thames Valley, "While we are encouraged by improved test scores and the rise in student achievement, we are also very encouraged to see stable relationships between teachers and learners in the school environment." I hope that the government will move quickly on making this same change for junior and intermediate classes by imposing an appropriate class size cap. Given the recent report on safety in Toronto schools, we would be foolish to ignore the fact that smaller classes and more teachers could alleviate the stresses. This is not just a big city problem.

With reference to intermediate grades specifically, there has been much news around the province with regard to moving them into secondary schools. We find it odd that economic consultants are being hired in some district school boards to tell us that we need to close schools and move grades 7-8 students into the high schools, all to solve a financial burden. We would hope that good pedagogy and respect for the needs of the adolescent learner would guide this decision and not simply the bottom line.

Elementary students belong in elementary schools with elementary teachers. Research shows that elementary schools promote stable relationships between students and teachers, provide an intellectually stimulating and co-operative environment, and enjoy a higher level of parental involvement than do secondary schools. Research also indicates that students from 10 to 15 show gains in mathematics, language and reading when they attend small schools with lower student-teacher ratios and shared teaching. Rather than transferring young students to secondary schools, school boards should work with the Ministry of Education to ensure public elementary schools receive the necessary resources to offer a wide range of programs which build student success.

Minister Wynne has told the press that the province wants to graduate more well-rounded students and has hinted at the government's plans to re-introduce the kind of hands-on, experiential learning that keeps kids engaged in school. She was talking about design-tech classes, family studies, arts programs and guidance support in the later elementary years. We look forward to the return of these kinds of programs, the specialist teachers who will need to teach them, as well as the important infusion of funding to pay for them. More teachers in a building provide supervision and a safer environment for our students. This is the bottom line.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government.

Mr. David Oraziotti: Thank you, Vel, for your presentation. I want to thank you for your passion and enthusiasm in the work that you do on behalf of many of the teachers, students and parents in the area.

I do want to highlight a couple things, though. You're aware that the Algoma District School Board and Huron-Superior Catholic District School Board funding per pupil is well above the provincial average. The average is about \$2,000 per student. That has increased over four years, and we're about \$2,800 per student. What that's really meant is there are 68 more teachers, in both boards combined, in the area now teaching, who have jobs in this area because of the increase in our funding formula. If we had continued on the same path, there would be 65 fewer teachers in our area, despite the declining enrolment. So we have a declining enrolment in the area of about 3,000 students with both boards combined, yet we have 68 more teachers. We've obviously made those investments, and I appreciate you acknowledging the additional 17%.

We know that test scores are up, dropout rates are down, but there's more we need to do. You're aware, obviously, that we're building a new secondary school and a new elementary school for the first time in about 35 years in Sault Ste. Marie, so that's great news for the community.

I want to ask you two questions: your opinion on more integrated efforts in coordinating busing to help reduce costs that would maybe provide more resources for students and teachers, getting those dollars into the classroom where parents want to see them; as well as your opinion on the contractual arrangement. We had a four-year contract for the first time in the history of the province, which has led to tremendous peace and stability. That's allowed teachers to focus on the job at hand as opposed to what's taken place in the past. How do you feel about that? What's your opinion on the contracts going forward, the length of them, and on the busing issue?

Ms. Vel Liut: If I could talk about the busing issue first, I would applaud any suggestion to coordinate busing efforts and combine with other school boards, if that's what you mean. That can only address major centres; it does not address central Algoma. By the way, in central Algoma, bus routes are probably some of the longest in the province, and I don't know how we would address that any better. Some of those schools, I recognize, are quite small and may need to close and we may need to combine those. Will that make routes even longer? I'm not sure. However, it's an excellent suggestion to combine those efforts, a consortium or some such thing that would not duplicate those services. Obviously, that's a cost-saving measure that would be very valuable.

With regard to the length of contracts, having been the chief negotiator for the last two rounds, and I will be again in the next one, I can honestly say that while peace

and stability seems to be the case, I would also say—and it does allow us the time to get on with our jobs, and things have been relatively calm; however, I know from my own experience that once you get to the fourth year of a contract, you've really outgrown the conditions that you're working in. Working conditions still need to improve. The ministry initiatives and the kinds of things that have been put in place are still coming down the pipe. We still need more time, more teachers, more specialists and so on. I've been very frustrated this past year with that kind of thing because I keep having to address a new way of looking at how we are going to staff schools with declining enrolment and so on. It's increasingly becoming a problem, and it's going to be another while before we have a chance to address that in the contract.

Mr. David Oraziatti: Okay. I know my colleague has a question or two for you, so I'll just turn it over to her.

Ms. Lecanna Pendergast: Good morning. As an educator of over 20 years and a high school vice-principal, I hear everything you're saying, and I wanted to start by thanking you for acknowledging the funding cuts of the previous Conservative government. As an educator you know we've lived this, and we know the hard work that has been done over the last four years of this government's mandate and that we continue to do that hard work.

I think you've highlighted some very important and significant things that need to be looked at here this morning. The funding formula, for one, we are constantly refining. It changes; it's not a static entity, as you have acknowledged, and we continue to consult with our partners every year. In the process, \$3.7 billion has been restored to our schools, and we know as educators we've felt that. We know that we're up over \$2,000 per student in the funding formula.

We are committed to restoring the public education system. You mentioned the Rozanski report—and thank you for that. This government has put \$6.8 billion into the system, which is, as you know, over three times what Rozanski had recommended.

The Chair (Mr. Pat Hoy): We have about a minute left.

Ms. Lecanna Pendergast: Thank you. To focus specifically on the elementary area, which you represent today, we have added over 5,100 elementary teachers to address class size and 1,925 new elementary specialist teachers for the arts and the shops. And we continue to renew our schools in the infrastructure area, including \$4 billion in school renewals.

I guess my question is, in talking about funding formulas, teachers, class size and infrastructure, that we all agree there's more to do. It's a long road to recovery. Where do you recommend—this is the tough question, and you know it's coming—we begin in the immediate next steps, having said all these great things this government has done and continues to do? What would you see as the immediate next-step priority?

Ms. Vel Liut: As far as the north is concerned—and that's what I'm mostly concerned about—where we are

losing industry in single-industry towns, where enrolment is declining, where families are really stretched, I think they need to know that there is a secure class size structure that is manageable. I know it hasn't happened too much in Algoma yet; we've only just started to see triple grading and that type of thing starting to happen. I would like to see it addressed that there will be a class size cap for junior and intermediate students. That would be my number one focus.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

I'm advised that our 12 o'clock presenter is not in the room, so we'll recess until he arrives for 12 o'clock.

The committee recessed from 1152 to 1200.

BATCHEWANA FIRST NATION

The Chair (Mr. Pat Hoy): The committee will now reconvene. Our next presentation is by the Batchewana First Nation. You have 10 minutes for your presentation. There may be five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Chief Dean Sayers: My name is Chief Dean Sayers. I am the chief of the Batchewana First Nation here in the local area. I want to first of all thank all of those individuals who made their way here. I'm sure there are more than just members of the provincial Parliament, but I thank you guys for coming up and giving us an opportunity to have some input into the upcoming budget of the province.

You'll note that I put my correspondence in the form of a letter today, and I'm going to forward that on to the Minister of Aboriginal Affairs, as well as for our council's information. They did see it and have given me the endorsement to present here today.

You might note that in the top couple of lines I referred to the province as "the crown." I did that intentionally, because it's our First Nations' belief that the province of Ontario carries a fiduciary responsibility to First Nations in what is known today as Canada. Batchewana is a signatory to a pre-Confederation treaty, and in saying that, I'm saying that we were around and even had a relationship with the visitors prior to Canada coming about in 1867. We still believe strongly, and so does the crown, in that relationship. We still get our \$4 a year from you guys in exchange for a lot of things that our people enjoy today—and don't enjoy, because there has been a real shoddy interpretation of what was exchanged. On our end, we still honour that. There have been some shortcomings on the part of the government of Canada, the crown in particular.

There is a relationship that we need to, again, expand on with the province. The province does carry the honour of the crown, and the honour of the crown is at stake with the way that our treaties are currently being interpreted. We have guaranteed rights. In exchange for all this land around here that we gave up, we have guaranteed rights, including that right to education, housing, health care—

the list goes on. It's not that we want to have castles and palaces and this extravagant lifestyle. All we expected when we signed those treaties was the same quality of life as everybody else who comes to this land. When we look at hundreds and hundreds of logging trucks coming out of our territories and we don't get a cent out of those things, it's disturbing to us, because in that treaty we said that we would benefit as well, and we're getting piddles.

Within my parents' generation, if they spoke up they were thrown in jail. They weren't allowed to speak. They weren't allowed to leave the reserve. They had to get a letter from the Indian agent saying, "Yes, you can go to town today, but I want to know what you're going to town for and how long you're going to be there and when you're coming home." That's the way they were treated.

Today, we now know that we have rights. Ontario specifically has some responsibility there. There's the Robinson-Huron treaty of 1850, where we said—and we all agreed; all of you guys were there, all of your forefathers were there, and you said, "We will all benefit, and when Ontario makes a profit, you guys will benefit, too." We're still getting \$4 a year, I'm sure the province has made a couple of bucks since 1850. It's ridiculous. It's a shame that we're still only getting \$4 a year. We shouldn't have to take the province of Ontario to court to get our annuities increased. Look at what you're enjoying around you.

Our people are taking stands today and saying, "If you're not going to honour those treaties, guess what? We're not going to honour those treaties anymore either, so we're going to start taking those things back." Our people are still wanting to sit down and talk about a mutually beneficial relationship with the visiting governments. We're willing to do that. In my documentation today, I'm calling for formal legislation that will compel and demand and direct those companies that are doing business in our territories, that are extracting minerals, timber products and non-forest timber products, to enter into an agreement to revenue-share in a partnership perspective.

Your court, the Supreme Court of Canada, has made numerous decisions in the last few years that said, "Yes, you have to talk to the native people in Canada about their rights, and you have to consult with them." Not only do you have to consult, but you have to actually listen to them. You can't just knock on the door and say, "Hello, I'm here," and then leave and say, "Well, I talked to them. There, now I can do what I want." No, you have to be accommodating. You have to actually sit down with us and we have to mutually benefit, and we've not seen that.

Another treaty that you may want to take a look at is the Pennefather treaty. It was an atrocity. It was an outright theft. Take a look at it; do your research.

Just recently, we took some action. The reason I'm telling you this is because we're not benefiting. We shouldn't have to come here and beg for money from the province of Ontario to meet the needs of our people. We shouldn't have life expectancy rates for First Nations

people in North America hovering around 40 to 50 years of age for a man. Just recently the Lakota released some stats saying that life expectancy for a man is 44 and for a woman is 46. That's today; we used to live to 115 to 120 years old. There needs to be some work done. We're going to, as we've already done, take steps to do that. We are doing that within our traditional territories.

We're asking the province of Ontario to share the benefits that they're reaping with First Nations, not out of your good feelings of social responsibility but as the result of a contractual obligation you have with us. We're supposed to benefit. We know how we need to work in order to benefit. We know what's going to have to happen in our communities for our people's prosperity levels to increase. We need to have those revenues, and those revenues should come directly to us. No more should we see secret memos going to treasury saying, "This is what's good for the Indians." We'll go directly to you and say, "This is what you owe us. This is the money that comes to us as First Nations people as a result of our original relationship."

Here in the document I've noted that we've got some beautiful ideas on how we can work together to be able to bring our quality of life up to the visitors' quality of life. One of the first ones is, the federal government has this year given us a commitment to \$1.5 million for a new health centre. We've asked the province for \$2 million; there's a possibility the feds are going to come up with another \$1.5 million. It's not just a regular run-of-the-mill health centre; it's an innovative approach to meeting the health care needs of our people. We're looking at incorporating research, ways of addressing diabetes, nutrition, lifestyle, traditional flora and fauna medicines and working with the Northern Ontario School of Medicine to come up with ways that physicians can work with us. There are many things that we'd like to see happen within the confines of this new regional health facility. All the native organizations in the area have endorsed that.

There are a number of those things that I've identified in my letter, but I needed you guys to at least hear today from me the perspective that the First Nations in our area are working from. It's not that we're demanding social programs. These are obligations that you inherit as the crown. The federal government as well has responsibilities, but you are the crown as well, and you have the honour of the crown to uphold. You can honour the crown by honouring your commitments to us as First Nations people in this area. Take a look at the Robinson-Huron treaty, take a look at the Pennefather treaty. The answers are there on how you need to be working with us. These were things that were thought out a long time ago.

1210

There are some things that I wanted to make mention of. The licensing fees from all the angling that's happening in our communities and our territories—there's been a derogation of the fish stocks; there have been invasive species. It's a mess. We need those dollars back that

you're generating from tourists and all those other people coming into the territories taking fish out so we can restore the fish habitat. I've already mentioned this to the Minister of Natural Resources. We need to see those dollars come back to us, because we're the original managers; we never gave up anywhere. Show me where it said that we gave up our right to manage the fisheries and the water. We have been crippled because we don't have the money to manage the fisheries as we once did. We demand to have those dollars, which you're taking from the people to take the fish out of here, come back to us so we can continue with our plans for rejuvenating that fishing industry.

The same goes for the logging: We never said we were giving up our abilities, our inherent rights to manage timber harvests. Ontario has assumed that they can take that and get all these royalties, but in the meantime, we're living in squalor; we're living in poverty. Those are our resources. We demand to have a share of those funds. One of my councillors said, "We want our 35%." We'll say 50% for the province, 35% for us, but out of that 50%, they can help us in developing and coordinating some of those management models.

So we have some plans, we have some ways of being able to work together, and that's just timber and fisheries. There are many others. We're working now with Brookfield on innovative, cutting-edge, world-class global relationships with multi-conglomerate corporations around the world, like Brookfield Power, formerly Brascan. We're doing some ingenious, beautiful things with the windmill developments in the areas. We already have \$300 million worth of windmill developments in our territories here, and we're at least exploring the possibility of another \$300 million to \$400 million worth of windmill developments in our territories as well. We're developing a mutually benefiting relationship, outside of any demands from the province. This corporation recognizes our position with regard to those lands and our territories, and they're going to work with us. It's great, and we're going to benefit. But we also need the province to come and really support some of the work that we're doing and honour the commitments and obligations they have.

I just wanted to make those comments. You have the documentation. You can refer to that, and we'll look forward to some responses. As well, I did ask in here for a specific meeting with the Minister of Revenue to talk a little bit further about how we can implement some of the requests that we have here in the documentation.

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning goes to the official opposition.

Mr. Tim Hudak: Thank you, Chair, and congratulations to the chief. Dean and I go way back; I knew him probably about 15 years ago or so, when we were both kids. Dean was a community leader in the Niagara area. Congratulations on your ascendancy as chief, and thank you for your presentation to the committee. It's good to see you again.

I know my colleague Mr. Barrett has some questions. I wanted to ask you specifically about the resource sharing. I know from my time as mines minister that mining companies are required to sign impact benefit agreements with the First Nations in the area whose traditional territory may be where the mineral development is. I don't know that Batchewana has mineral potential in its territories, but I'm sure that forestry companies—you talked about fishing—would have a similar necessity to work with First Nations.

The questions are: Are you satisfied with the way that the benefit agreements process works, or do you think it should be mandated at a certain level of resource sharing? Secondly, with respect to the traditional territories that you referenced, is it clear where those territories are? Are there other First Nations who would say that they are part of their traditional territories? Is it black and white as to when a mineral or forestry operation would be in Batchewana's territory?

Chief Dean Sayers: It's clear. It's really clear in regard to the area that I believe each First Nation—and we have to also remember that we're all Anishinabek people, and we all have traditional relationships and protocols, but we've made assertions as individual First Nations to the Creator that we would look after certain areas and take primary responsibility for those areas. I think that's somewhat clear within the treaty of 1850, the Robinson-Huron treaty.

Also, in regard to the revenue-sharing process, there's an obligation that corporations are mandated to fulfill. I'm aware of a northern First Nation that had some revenue-sharing agreements or some kind of a mutual relationship with developers in diamond mining, and when the time came for the actual implementation, they just shrugged it off and never honoured it. So the enforcement, I believe, from somebody, the province—we have our own way of enforcement and we can do that as well, but we'd rather go through something that the province can encourage all development companies to embark on as part of a way of enforcing that.

I think the province should be more compelling for these development companies. They can tell them, "This is how you will interact with that First Nation. It's their territory, and you will give them a percentage." It has to be something that's going to benefit us, and we have to agree to that. Each First Nation will have a unique preferred relationship with a development company, whether they want to have employment or roads or infrastructure. But they should be compelled by the province to enter into some type of mutually benefiting relationship that's based on their own unique First Nation needs.

The general parameters that were set out by federal Supreme Court decisions around the obligation to consult are really general. We're having difficulty in the interpretation. We know, and we've always known, what a good relationship is with development companies, and we've had that.

Just recently, the Ministry of Natural Resources—we were working diligently with Brookfield Power to de-

velop this mutually benefiting relationship with another \$300 million worth of windmills, and we were progressing nicely. We were working toward the issuance of a work permit to see the meteorological data collection towers, which they need in order to study the wind for a year, and we were ready to give them that. We were working on a relationship, on how we'd work together, and the MNR, in their own wisdom, decided that the relationship wasn't productive. They issued the work permit and made a public press announcement that they were now ready to move forward with negotiations, and it's not even their territory. Brookfield was really upset about that, and we both corresponded with the ministry saying, "We are working on a relationship. Please, let us

work on this." Initially, we had said to the Ministry of Natural Resources that we didn't need their assistance anymore, that we would work on our relationship ourselves, but they wanted to get involved anyway, and it almost collapsed our discussions. It was really detrimental to the overall process. So I think there should be a better way of handling some of the issues around First Nations resource revenue sharing.

The Chair (Mr. Pat Hoy): Thank you. The time for questioning has expired. We appreciate your presentation.

That concludes our hearings here in Sault Ste. Marie. We are adjourned.

The committee adjourned at 1218.

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F-4

F-4

ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Official Report of Debates (Hansard)

Wednesday 23 January 2008

**Standing committee on
finance and economic affairs**

Pre-budget consultations

Assemblée législative de l'Ontario

Première session, 39^e législature

Journal des débats (Hansard)

Mercredi 23 janvier 2008

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et des affaires économiques**

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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 23 January 2008

Mercredi 23 janvier 2008

The committee met at 0901 in the Cedar Meadows Resort, Timmins.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. We're pleased to be in Timmins this morning and again this afternoon for the committee. Just a reminder that checkout time is at 11 today.

ONTARIO FOREST INDUSTRIES
ASSOCIATION

The Chair (Mr. Pat Hoy): I would ask our first presenter of the morning, the Ontario Forest Industries Association, to come forward, please.

Mr. Gilles Bisson: Welcome to Timmins. We've ordered this weather just for you.

Ms. Jamie Lim: Well, how else would you want it in Timmins, Ontario? Please. This is actually a warm day. You should have been here on the weekend.

The Chair (Mr. Pat Hoy): Good morning.

Ms. Jamie Lim: Good morning. How are you?

The Chair (Mr. Pat Hoy): Good. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Ms. Jamie Lim: I'm Jamie Lim with the Ontario Forest Industries Association. The OFIA consists of 27 member companies, ranging from Canadian divisions of multinational companies to sixth generation, family-owned-and-operated facilities. Forestry is one of the true green industries, and it has a great story to tell. Like farmers, the forest sector regenerates all areas that have been harvested.

Our collective objective, government and industry, must be to continue working successfully to resolve the key competitiveness issues that are threatening our sector's viability in this province.

Since 2003, Ontario's forest sector has been going through a significant period of transformation as it adjusts to a set of unprecedented challenges. I think we need to understand that while some of those challenges, like the parity of the Canadian dollar and the crash of the US housing market, might not be within the purview of

the provincial government, there are a number of provincial challenges that are within your jurisdiction which you can take action on today. Over the past three years, your government has demonstrated its ability to effectively address barriers to the Ontario forest sector. Yet as the Premier has repeatedly noted, there is much more to do. You must remain vigilant. You can't do something with the right hand and then go and do something with the left hand that erases everything that you've just done. By not adding to the uncertainty and instability, government can make a real difference for the Ontario forest sector.

In addition, government must also recognize its role in establishing, growing and maintaining customer confidence in made-in-Ontario forest products. FPAC notes that there could be a 3% increase—and even beyond that with the new products that are being developed—worldwide. To fail to adapt to this global reality is a failure to grasp a significant opportunity—an opportunity that will grow jobs and prosperity while at the same time reducing impacts of climate change, because you're using the only renewable resource that's out there.

In an effort to re-establish world-class business environments in Ontario that will attract investment, we are recommending seven actions be taken.

The first is security of supply. From an investment perspective, fibre cost and access certainty are absolutely vital. In 2002, a government report recognized the long-term supply of wood necessary for industrial processing and economic development is 24 million cubic metres annually. The OFIA today is asking your government to honour this commitment and ensure that the existing operational land base—a land base that is governed by one of the most stringent and ecologically sensitive regulatory systems in the world—is not further eroded.

While many detractors of our industry will try to claim that the current harvest levels are unsustainable, this is clearly not the case. Our industry currently harvests less than one third of 1% of the crown forests that are allocated for harvesting annually. And we are governed by over 30 guides and guidelines. For example, since the implementation of the bald eagle habitat management guide in 1987, the bald eagle has been down-listed from endangered to special concern status in northern Ontario. But guess what? The bald eagle remains endangered in southern Ontario.

Forestry and the protection of species can happen together. We've proven it, we've done it and we've done

it for more than just the bald eagle. So we request that this government develop an exemption regulation for Ontario's forest sector that recognizes that our forest management plans satisfy the requirements of the new Endangered Species Act—period.

Secondly, we have the sustainable forest licence conversion initiatives. These have to be done based on a business model. If you use these conversion initiatives to bring in social engineering, you're going to close the door to business faster than you can say "boo."

Thirdly, government procurement policy: In September, your government announced its intention to "adopt the Forest Stewardship Council (FSC) standard for at least 30% of all virgin paper purchased for its offices...." As of today, the government of Ontario cannot source this FSC paper from within your own province. If adopted, this policy would imply that Ontario-produced paper is not good enough for the Ontario government. This policy would discriminate against paper that's made just next door in Iroquois Falls. That's not okay.

The OFIA requests that the Ontario government paper procurement policy recognize all three internationally accepted standards—the standards that we were asked to get certified to by the MNR in 2004. This new policy contradicts that 2004 directive, and it doesn't make sense.

Number four, hardwood crown dues: When our member companies reviewed fibre costs against the jurisdictions in which they operate, the very uncompetitive nature of Ontario's hardwood crown dues was identified. The three most competitive provinces have hardwood dues that are in the 50-cents to 57-cents-a-cubic-metre range, whereas here in Ontario, hardwood crown dues are 800% higher, at \$4.28 per cubic metre. This represents a huge competitive disadvantage.

This is not about old and uncompetitive mills. In 2002, a member company built a \$300-million state-of-the-art, value-added facility in Kenora. At the time, it was considered North America's largest value-added mill. Working at full capacity, this facility injected approximately \$60 million a year into the local economy. Unfortunately, today, that facility is operating at half capacity.

Presently in Ontario, only a fraction of our OSB mills and engineered wood mills remain open. By removing this real, 800% competitive disadvantage, government will be sending the right message to forest companies.

0910

Then we have my favourite, softwood lumber. Last Friday, the US government—always on a Friday—filed a second request for arbitration proceedings under the 2006 softwood lumber agreement, claiming that the Ontario government had implemented three programs that circumvent the agreement. These three programs pre-existed the agreement. I was a part of negotiations, so I can tell you that there wasn't one member of the US government team that wasn't fully aware of these three Ontario programs.

We ask that both orders of government recognize that the never-ending legal shenanigans of the US govern-

ment creates absolutely useless business uncertainty for the Ontario forest sector. We were promised when we signed that 2006 agreement that it would bring certainty, growth and prosperity for the Canadian forest industry. Well, you know what? We're still waiting for that promise to be kept. We're still having to hire lawyers and fight.

Sixth, the environment policy: We're asking government to introduce and develop a sector-based air regulation. For example, proposed MOE regulation changes to acrolein are, realistically, unachievable. A member company quoted a cost of \$60 million to convert its milling process to the proposed standards. That mill, like many others, would just close down. Another company is building a state-of-the-art cogeneration unit. You all think cogeneration is sexy, so here we have a company that's building a brand new state-of-the-art facility, and guess what? When it's finished building the state-of-the-art facility, it's going to pass your new threshold for acrolein by three times. The only solution to meet your new standard would be to close the whole thing down. Why would you invest? Why would you build? Why would you keep building? So we're asking you to make sure you understand the socio-economic impact of your existing and new regulations.

Last, but never least in any of our hearts, is electricity. At present, Ontario's electricity supply is not affordable. It's a huge competitive disadvantage—

Interjection.

Ms Jamie Lim: I've got about one more minute, Chair.

High prices have forced forest product companies to curtail production, shut down mills and lay off people. Ontario's electricity prices continue to rank near the top of the list of competing jurisdictions. We require an industry-wide rate of all-in delivered power that is competitive in Canada, North America and around the world. Right now, as an incentive to investment, job creation and prosperity, jurisdictions around the world use industrial electricity rates as an important economic development tool. Government must implement a program that offsets or rebates Ontario's uncompetitive electricity rates. A program of this nature would benefit Ontario's entire manufacturing sector, not just us, big and small.

In conclusion, ladies and gentlemen, the forest industry does have a bright future, both domestically and globally. People are still using our products and that demand is increasing. But it remains to be seen in which jurisdiction companies, and therefore jobs, will be located. Real companies do not invest in jurisdictions with uncertain and uncompetitive costs. It simply doesn't make business sense.

So ladies and gentlemen, during this period of transformation, we have a wonderful opportunity to put a foundation in place that will guarantee the future long-term viability of this sector—a sector that's supported this province for almost 200 years. This foundation requires the right public policy, and by taking immediate

action on the seven recommendations outlined today, the Ontario government can restore certainty to the province's business environment. Two hundred and thirty thousand Ontario families are counting on us to get this right.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the official opposition.

Mr. Tim Hudak: Ms. Lim, thank you very much for the presentation—very detailed and strongly made, as usual. Congratulations to you and Mr. Holmes for the work that you continue to do on behalf of the OFIA in being here today.

I know my colleague Norm Miller had brought forward what I thought were some very sensible amendments to the Endangered Species Act. Unfortunately, they were defeated one by one by the Liberal members of the committee at the time. What has been the impact of the ESA on the forest industry now that it has passed?

Ms. Jamie Lim: If there are three things that are absolutely stopping investment—our companies just can't get their boardrooms to invest in the province—the Endangered Species Act that's going to be implemented in June is definitely one of them, because what has been proposed by the government is to remove large tracts of land from northern Ontario to satisfy regulations to do with, say, the woodland caribou. The minute you talk about removing large tracts of land, that affects fibre cost and it affect access to fibre. No one is going to invest. If you don't know that you're going to have the raw material that you need, why would you put \$300 million into a new mill? I can tell you, this is real. We have companies, we have boardrooms right now, that are investing. This isn't my grandfather's industry; this isn't a sunset industry. People still use toilet paper, we still use everything, and yet those investments aren't going to be made here.

Secondly, I would say customer confidence. When your own government is saying that made-in-Ontario forest products aren't good enough—holy cow. You can't imagine how our global customers respond to that: "If it's not good enough for the government, why would we buy made-in-Ontario forest products?" I get it. We're not the BlackBerry RIM, we're not Niagara wine, we're not your agriculture carrots and potatoes; we're the forest products. I don't know when we stopped being proud of ceilings like this, of the library that we have downtown, of the Credit Valley Hospital in Mississauga. Our forest products in Ontario are cutting-edge. There's so much to be proud about, and yet we almost are embarrassed—it's the old economy, it's a dying industry. No, it isn't. So we need to take pride, because that'll send the right message to boardrooms.

Last, electricity. I just toured a facility. Everyone thinks that our mills are up here in northern Ontario. This facility that makes this is in Toronto, and this is what you find on the inside of your toilet paper rolls. And guess what? It's made with 100% Toronto garbage. I was just in the facility this week. So this is garbage. This is your newspaper that you read a couple of months ago. This is

what it is. This facility employs 120 people and they're so proud of the conservation things that they've done—100% garbage. They're using Peel region's garbage incinerator electricity to produce their steam. It's just phenomenal the stuff they've put in place. They were in line to get a new \$300-million machine—their machine is 30 years old—and yet they're still managing to find these efficiencies. Do you know what? It looks right now like that new machine is going to go just south of where you live, Tim, because the electricity is two to four cents as opposed to six to eight, which is what they're paying right now.

That's sad. We've got to do something, folks, because Ontario as a whole can't afford to lose manufacturing jobs, especially when we don't have to. We just have to start doing what other jurisdictions that we're competing with are doing. We have to get as smart as them. We have to wake up in the morning and ask ourselves what we can do to keep the jobs here.

These seven recommendations are not difficult. They're doable, and they're not all about money. We didn't come here today saying, "We need money, we need money." This is just policy. This is doing the right thing. This is promoting made-in-Ontario products. Thank you. Thanks, Tim.

The Chair (Mr. Pat Hoy): About a minute.

Mr. Tim Hudak: There's still a minute remaining?

The Chair (Mr. Pat Hoy): Yes.

Mr. Tim Hudak: Thanks for the answer. I was going to ask you about the price of electricity. I'm well aware that just across the border from my riding, in New York state, power is much cheaper for industrial producers. We're in jeopardy of losing quality investments across the border. I'm pleased that you spoke to that to that extent.

I was struck also by your presentation about the types of standards for paper. It's rather shocking the government would announce this initiative knowing full well that there is no Ontario supplier currently available to produce that.

You mentioned that MNR had originally mandated or asked all of the Ontario producers to hit three potential standards. Now the government has selected one specifically. Could you elucidate a bit on that?

Ms. Jamie Lim: I can. In 2004, we were asked to get the crown forests we operate on certified to one of three internationally recognized standards. So you have FSC, which is the Forest Stewardship Council. You have the Canadian Standards Association. If your kids play hockey, you see their sticker on the helmet. The last globally recognized standard is the sustainable forestry initiative. It's not cheap. Going out and getting certified can cost our larger companies over \$1 million. You just don't go out and invest in this and then tomorrow just go and pick another standard. It's a huge, time-consuming and expensive process.

0920

So there we were in 2004, and this new initiative, this new mandate, came down by government. We embraced

it. My member companies represent 87% of the certified crown land that's in Ontario right now. We do this. We get it. We're responsible. And actually, with the Ontario standards that we have, it's not that difficult because we're doing world-class forestry management practices here. So you can imagine how shocked we were when the government would chose a procurement policy that recognizes only one standard and says 30%. So then they're saying, "Well, there's still 70% that we can get for something else." But sorry, you're sending a loud message that this one standard is better than the rest.

When you have a company, say in Thunder Bay, that's SFI-certified and is supplying paper to global magazines and newspapers that you read every day, what does that customer think now, that SFI is not good enough? I don't want to get into a comparison of the standards, but these standards also stamp forest products in jurisdictions like Indonesia. Well, I'm telling you something, my family is in Malaysia, and I go there every year. The forest management practices in Indonesia and in Malaysia don't even come close to where we are in Ontario.

I just would like to know when made-in-Ontario wasn't something that we took pride in. When did that stop? That doesn't make any sense to me. At a fragile time in our industry, our government goes and hits us in the knees. You go and you bring out a procurement policy, and then you can take it one step further, because I heard it was going to go beyond paper but it got dialled back to paper. Can you imagine if you did this with wood?

I think the infrastructure ministry is looking at adopting the LEED standard. You've got to be really careful when you're looking at these standards. The LEED standard discriminates against wood and promotes steel from China versus using wood from Ontario. Be really careful, because when you bring out something like a procurement policy that discriminates against wood made in Ontario, you're creating a trade barrier. So here we complain about trade barriers that the US government puts up against us, and then right here in our own home province we have government creating trade barriers for us. It's really hard because we're trying to deal with the US dollar, we're trying to deal with a crashing US housing market, and then we have these made-in-Ontario challenges that just keep coming at us. Yet on one hand, you're doing great things, and then on the other hand, you're doing things that just erase all of that good work.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Ms. Jamie Lim: Thank you very much, and you should all go see this facility; it's in the GTA. It's Norampac, a recycling facility. It's an awesome tool.

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: Thanks Chair. I just wanted to follow-up on Ms. Lim's point in her presentation. Maybe I can ask through you, and I'll put this in writing to make sure it's clear, if we could get a response from the Ministry of Government Services why they chose one of the three standards that were acceptable to the Ministry

of Natural Resources, and if that minister would consider adapting any of the three standards, as opposed to the one that was announced last year. Let me request it through you, Chair, to the Ministry of Government Services to respond to the committee.

The Chair (Mr. Pat Hoy): Research will put that together upon your written proposal.

Mr. Tim Hudak: Absolutely. Thank you.

POVERTY ACTION COALITION OF TIMMINS

The Chair (Mr. Pat Hoy): Now I call on the Poverty Action Coalition of Timmins to come forward. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Ms. Carol Wilton: Hello, and welcome to tropical Timmins. My name is Carol Wilton. I am a member of the Poverty Action Coalition of Timmins, or PACT. PACT was formed in April 2003. It has received support from organizations in Timmins that are involved with low-income people. These include organizations like food banks and health care providers, as well as low-income earners themselves. PACT's key goal is to help put poverty back on the political agenda.

Seven years ago, a tragedy in our province prompted reforms to our social assistance system. In August 2001, Kimberly Rogers died, pregnant and alone, in Sudbury. She had been under house arrest for welfare fraud. Two years later a Liberal government was elected. They responded by reforming the system. For example, they ended the lifetime ban on social assistance for welfare fraud. They've also now committed to a poverty reduction strategy.

These changes are a good first step, but they don't go far enough. There are many pressing issues relating to poverty in Timmins, but I'll just mention two: housing and social assistance rates.

The present government has taken some steps in the right direction on these matters. Money has been made available for housing improvement in the north; social assistance rates have gone up slightly; and the Ontario child benefit was introduced in 2007. These are all positive initiatives, but they are not enough. To paraphrase Franklin Roosevelt, far too many Ontarians are still ill-housed, ill-clothed and ill-fed. More needs to be done, and at a speedier pace.

Let me say a few words about housing. The housing situation in Timmins is quite different from what it was when I addressed this committee two years ago. You have heard, and doubtless will hear more later today, about the economic boom here. It's true that the forestry industry has been suffering, but mining has picked up steam. There's nickel mining close to Timmins, there's a lot of exploration for gold and other ores over by Kirkland Lake, and the Victor project on the James Bay coast has benefited Timmins too.

Along with the mining boom, there's a lot of new construction going on. No fewer than five suburbs are currently under development here in Timmins, and also in South Porcupine. A new multi-million dollar commercial development is partly open near the Super 8 on Algonquin. The last couple of years have also seen remarkable commercial development in the western part of the city.

But there is a flip side to this activity. Housing has become less affordable. House prices in Timmins have risen by about 10% in the past year, so homes are less affordable for the working poor.

The situation for rental housing is also cause for concern. The vacancy rate for rental housing in Timmins as of last October was less than 1%, and rents have been rising steadily. Under the new Residential Tenancies Act, a landlord can jack up the rent when the old tenant leaves. It's a seller's market here for landlords. They can now afford to do without rent subsidies, so there's less subsidized housing available.

The waiting list for social housing also presents a bleak picture. In fact, there are more people on the waiting list for social housing than there are occupied units. Timmins has a total of 1,286 units of social housing, and there are more than 1,300 people on the waiting list. So for every individual or family in social housing right now, there is more than one individual or family out there waiting for a place.

About half of those waiting are looking for places with two or more bedrooms. A majority of these are single mothers. If things continue as they are now, they'll wait a long time. A family that needs two or more bedrooms now has to wait five or six years for social housing. A baby born today, January 23, will probably be in grade 1 before she can live in some place that her family can afford.

The Liberal government has done something to address housing issues. The affordable housing program has provided limited funding for upgrading of existing homes and rental accommodation, but more is needed. Our housing shortage will not be on the way to solution without two things: (1) funds for new housing for low-income people, and (2) more money for rent subsidies. Affordable housing should be a priority in the government's poverty reduction strategy.

It's not just single mothers who suffer from a shortage of reasonably priced accommodation but seniors as well. No fewer than 300 Timmins senior citizens are now on the waiting list for affordable housing.

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In addition, there is a serious shortage of care homes for seniors. The result is that too many of them spend months in the hospital, which acts as a kind of holding area for the long-term-care facilities. At the moment, there are almost 40 seniors in the Timmins and District Hospital who should be in long-term-care facilities. They're waiting for spaces to open up. They should be in long-term-care facilities, but instead, they're occupying about a quarter of the beds in the hospital. This isn't fair to the seniors, nor is it an efficient use of community

resources. Seniors are among the most vulnerable groups in our society, and their numbers are on the rise. Funding for more affordable long-term care for seniors should be a key element of the government's poverty reduction strategy.

How many minutes have I got?

The Chair (Mr. Pat Hoy): Four and a half.

Ms. Carol Wilton: Thank you.

I'd like to say a few words about social assistance rates, and I'm sure you're all familiar with their recent history. In 1995, welfare rates were lowered by 22%. But to put it this way understates the seriousness of the situation in terms of real income. The income of people on social assistance has decreased by almost 40% since 1995. This is thanks to increases in the costs of rent, food and utilities.

Let me say a word about these increases. Take the cost of energy, for example. In the past four years alone, the cost of home heating fuel has risen by about 70% in Ontario. And price increases for food are truly shocking. Since 1995 the price of chicken has gone up 46%, the price of apples—apples in Ontario—by almost 50%. The cost of orange juice has slightly more than doubled. It's significant, I think, that the price of nutritious foods has gone up faster than the cost of less healthy foods like soft drinks, pasta and wieners.

It's true that there have been increases in social assistance rates since the Liberal government took office, but these have been on the order of 2% or 3%. This is not enough to do more than blunt the worst effects of inflation. The result is that people on welfare and disability pensions are still living well below the poverty line. They literally can't pay the rent and feed the kids. As another commentator put it, "It's heat or eat." They can't do both.

The experience of poverty is different in the north than elsewhere in the province—for one reason, as you may have already noticed: It's colder. I think it was minus 28 last night, but many in Timmins will say that winter isn't as cold as it used to be. It often starts to snow here in September, and real winter can start as early as October and last until April. This means that winter clothes for low-income people are a more pressing concern than they are elsewhere, and frostbite is a constant winter danger.

Costs are also higher for fuel, gas and food, especially in the coastal communities. In Attawapiskat, for example, you could pay as much as \$10 for a quart of milk. We need to address these kinds of issues for people on social assistance, especially in the north.

Private charity, it's true, is some help. We have a number of food banks in Timmins. We have the Lord's Kitchen, which is a soup kitchen. But private charity is not enough. It's not the solution to the problem of low social assistance rates. Social assistance rates should reflect real increases in the cost of living and this should be a key element of the government's poverty reduction strategy.

The Ontario child benefit is a step in the right direction. The government is providing funds through this pro-

gram to low-income families with children. The amounts will gradually increase over the next five years, but again, it's not enough. The Income Security Advocacy Centre has analyzed the impact of the changes. It has found that after five years the increase for a single mother with one child under 16 will be only \$50 a month. This is after taking into account the restructuring of social assistance rates. And by the time five years is up, the real value of that \$50 will be eroded by inflation. The government should accelerate the timetable of providing these benefits to families with children.

It's often said that we can't afford to pay more to those on social assistance. But consider this: People on social assistance spend that money, and they spend it in their local communities. Individuals, families and the broader community are better off. And consider as well the long-run social cost of the present regime: children too hungry to benefit from school; children whose long-term health is in serious jeopardy; and families too demoralized to provide the necessary boost to the next generation. This means spiralling costs for re-education, for health and for crime control. The reality is that we can't afford not to change.

The Chair (Mr. Pat Hoy): Thank you for the submission. This round of questioning goes to the NDP.

Mr. Gilles Bisson: How much time do we have?

The Chair (Mr. Pat Hoy): Five minutes.

Mr. Michael Prue: Just on social service rates, you talked about the government doing a little bit. I want to tell you, I think they've done almost nothing: 3% the first year, zero the second, 1% the third year, 1% the fourth. I'm saying 1% because they only did it for half a year each.

What kind of money would be necessary for someone to have enough to live on? How much money are we looking at? How much would be realistic? I'm not going to say how much they think is realistic. How much do you think is realistic for an individual or a family to live on at social assistance rates?

Ms. Carol Wilton: That's a very good question. I think the answer to that is that one size doesn't fit all. There are different requirements for people living in different areas of the country. In Toronto, for example, as I understand it, the entire monthly payment for welfare is less than the cost of accommodation for a single person. So they can't afford food, they can't afford heat, they can't afford clothing.

In the north, we're more fortunate in that although rents are increasing and social housing is not as readily available as we would like, rents are certainly lower than they are in the GTA. On the other hand, costs of other items are higher.

I can't give you a monthly figure. The rough guide that we use is that the real cost of the increase of the cost of living should be covered by social assistance.

Mr. Michael Prue: All right. In the last four years the Liberals promised to build 20,000 units of affordable housing and, in fact, built 268; that is, those that are under \$500 a month in rent. How many affordable hous-

ing units are needed in the Timmins-James Bay area to satisfy the needs? In Timmins alone, you were talking of having more people waiting for housing than actually living in it. How many are required in the broader Timmins-James Bay region?

Ms. Carol Wilton: In Timmins alone, approximately 1,300, perhaps even more than that. It may be that some people are discouraged by what they're hearing about the unavailability of social housing. In the broader area, I would defer to Mr. Bisson here, who knows the whole constituency.

Mr. Gilles Bisson: Well, thank you. With that, I guess that's my segue into a question.

One of the things that you touched on briefly is something that we're probably seeing not just here in Timmins but across Ontario, and that is, seniors are more and more being put into a position of poverty, where utility rates have gone up. The typical story is a husband and wife retire, the husband passes away, the wife is left with basically her pension and maybe a survivor's benefit from her husband's CPP; utilities are up etc. We're finding in the constituency office more people coming in and saying, "I've got to sell my house."

At your work, what are you hearing? What do you think needs to be done?

Ms. Carol Wilton: A tremendous amount needs to be done for seniors. I think you're right, that what we're seeing is kind of an impoverishment of this sector of society and they're not in a good position to speak for themselves. As you say, there are these issues about utility rates, there are issues about long-term care. There's a shortage of home care. I heard the example the other day that the test for home care is, "Can you take a bath by yourself?" If you can do that, you don't get home care. So somebody who is blind, who can find his way to the bathtub, is disqualified from getting help with cleaning the fridge, grocery shopping, other things that would be of assistance.

It might be a very good idea for the government, with the committee on poverty reduction, to have special consideration for the needs of seniors in our society. As I said, it's clearly a vulnerable segment, it's clearly a growing segment of our society, and it's an area that probably needs an integrated approach to assist people.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

0940

MUNICIPALITY OF SMOOTH ROCK FALLS

The Chair (Mr. Pat Hoy): Now I call on the Municipality of Smooth Rock Falls to come forward, please. Good morning. You have 10 minutes for your presentation, and there may be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Kevin Somer: Thank you. My name is Kevin Somer. I'm the mayor of Smooth Rock Falls. The com-

munity that I represent is approximately 1,400 people, and it's about an hour's drive north of Timmins.

The position of mayor is one that I guess was originally considered casual, but that all changed a little more than a year ago when the Tembec mill went into an idle state and then closed permanently on December 5. I had just gone through my inauguration ceremony on December 4, and having never sat on council or any other committee before, it was quite the experience. This as well is a new experience for me.

I've heard a lot this morning so far about energy costs, and that will be discussed in my presentation as well. I had a chance to stop at one of the last restaurants that's open in our community for a cup of coffee and was told that their heating costs were approximately \$2,000 for the month and hydro costs run about \$4,000 a month, so he's seriously considering closing his doors as well.

If I can get back to the mill closing in 2006, shortly thereafter I formed a revitalization task force, which has two representatives from council, two from the local union, two members from the CDC in our community and two members from Tembec. They've told us in no uncertain terms that the mill will not reopen, energy costs being one reason, transportation of fibre being another. We're struggling with what we can use that facility for, but it has to be a non-compete, either directly or indirectly, so there are certainly a great deal of challenges that are there for us.

We have a few studies that are currently under way with land inventory, soil sampling and things of that nature. We've also got another study on the mill at this point in time, looking at what the mill can be used for. But in a resource-based community like Smooth Rock Falls, as so many other communities are, we need resources and access to those resources. We certainly need affordable energy costs if we're going to do anything in the way of value-added and increase employment opportunities in northern Ontario.

There was also an adjustment committee that was formed shortly after the mill was closed. The closing ceremonies for that organization took place last week, after 15 months of being up and running to help aid in finding employment opportunities for the over 200 people who directly lost their jobs at the mill. There would probably be another 100 or more indirect jobs lost. We believe that is still needed in the community. There are still approximately 50 or so people unemployed who seem to revolve on an ongoing basis in short-term employment. Nothing is really long-term or sustainable. We believe additional funding and an organization like a community adjustment committee office should be available and up and running to continue to help people find work in the region, and hopefully we'll have something built in the community.

When a community goes through a shutdown and that's your only industry, there are certainly a lot of dysfunctional activities that seem to take place in families. Alcoholism seems to increase, domestic disputes increase, parents separate to find employment in

other communities. It's difficult, especially if you've got young children. I have four young children and can't imagine myself having to leave and travel great distances for employment and be away from my family. We have a good number of people in our community who travel up to Attawapiskat and are away for weeks and sometimes months. Individuals also travel out to Alberta to find employment. Again, that's very difficult on the family unit, and that has to be considered.

When our community goes into an idle state, we need assistance to find those new opportunities. I know that from a tax point of view a lot of people indicate that it takes about five years before a business can reasonably expect to turn a profit, and that's with a plan. When the plant went idle, we did not have a plan. We'd just founded the Smooth Rock Falls Economic Development Corp. to look for opportunities. Once we can get opportunities identified and a plan in place, it's going to take a substantial amount of time to get infrastructure up, training etc. Funding is certainly needed in our community as well as in other communities in the north that will be experiencing the same thing.

We also believe that the forestry industry will be changing in the future and more research and development dollars need to be placed in that function. We are looking for outside partnerships, but we certainly need government support and access to fibre and to those technologies.

The auto show in Detroit was when we recognized that there is a big push on biodiesel and green fuels. We believe that in northern Ontario, where the boreal forest exists, we have a huge opportunity to be able to capture some of that market for green biofuels etc.

Our own municipality is going to go through a severe shortfall or possible shortfall. The existing Tembec mill that's down is looking for reassessment on their property going back to 2004, and if successful through the ARB hearings, we may find ourselves having to repay taxes paid to the community of almost \$1 million, and \$1 million represents half of the tax base that we used to have with the mill. With a mill that's gone idle, the value has gone down, and they're looking to have the value of that property drop by between 80% and 90% of what its original value was three and four years ago, which was around \$13 million. They're looking to have the property assessed down to \$2 million. That puts a severe strain on the rest of the business and industry in the community, which is very little, and adds increased tax to the members of the community.

I heard the last speaker talk about increased utilities. Not only do seniors in our community have to deal with increased utility costs but with increased tax costs. A lot of facilities are not available to them and they have to travel great distances for health care etc.

By January 1, 2009, there will be a change to the asset accounting for infrastructure in a community. We certainly do not have an awful lot of staff and need additional funds and people—interns or such—to help us through this process. I believe that will be also a common

concern with a lot of other communities in northern Ontario. Small communities do not have the funds or the manpower to complete these tasks on time.

We also believe that there's a huge opportunity for recreation and tourism in northern Ontario. A good number of years ago—20 years ago—I was involved with an outfitting post up in Pickle Lake and saw the activity in northwestern Ontario. They've done a really excellent job, I believe, and are still moving forward with tourism opportunities. In northeastern Ontario we haven't capitalized on what we have around us: the natural waterways, the river streams and camping opportunities. We certainly believe that more dollars need to be spent in promoting northern Ontario. I just read that the Georgian Bay region received some additional dollars to promote their region. We could certainly use those types of dollars in northern Ontario here and move forward.

I think that's all I have for the time.

0950

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning will go to the government. Mr. Arthurs.

Mr. Wayne Arthurs: Your Worship, thank you for taking the time to come down here. It's about an hour north, a small town. You've got some unique challenges, to say the least. I came out of the municipal sector actually, four or five years ago. I left the office of mayor in our hometown, a growth community right near Toronto. So when I hear about the challenges that you're facing right now, I applaud you for the types of initiatives that you're taking in Smooth Rock Falls, for your efforts in facing this particular time, and particularly for your comments that it's not just your community, it's many communities that you see facing similar kinds of challenges. You're not just here telling us about Smooth Rock Falls, you're here talking about your needs but the needs also in the context of other communities that you see facing challenges in northern Ontario as well. I want to thank you for being here and for providing those insights.

A couple of things: Have you been speaking yet at all along the way with any of the ministries directly that might be of assistance on some of these fronts, whether it's in tourism or municipal affairs, on issues such as doing your asset management activity or new dollars available, either directly or through your local member, Mr. Bisson?

Mr. Kevin Somer: We haven't spoken to the Minister of Tourism, but we've spoken with MNDM, Municipal Affairs, MNR, Ministry of the Environment and the Ministry of Agriculture, and they've been very supportive of our initiatives. Actually, on the one study that I talked about with regard to land inventory and soil classifications, the Smooth Rock Falls Economic Development Corp. is taking the lead on that project but is working with the 12 communities along the Highway 11 corridor, including Timmins. So we do get together on a regular basis with the other communities and are working together to find ways that we can generate economic activities in and around this region.

They have supported us in funding capacities. Some of those announcements haven't been made yet, so I don't want to go there. I think it would be appropriate for the ministries to make those announcements themselves and for us to make comments afterwards. Of course, thanks to the government for the support.

Mr. Wayne Arthurs: In addition to what you've said here, are there any additional specific matters, given the context of this committee's work in the relative short term that we focus on in the preparation of a spring budget, that would be of particular assistance to Smooth Rock Falls?

Mr. Kevin Somer: Again, I've had discussions with some of the other mayors in the community and participated in the economic summit that was held here in Timmins in October and brought forth by FONOM. The community of Smooth Rock Falls and myself are very much in support of the recommendations that FONOM has got. I believe some of the other presentations this afternoon will go into greater detail and depth on those, but one of the common issues and voices that seems to be number one is the energy costs. Energy costs are extremely high. We produce inexpensive energy here, and that needs to be an economic tool to drive business and industry forward in northern Ontario.

Mr. Wayne Arthurs: Having come out of the municipal sector, I know that we've worked hard, over the past four or five years particularly, to rebuild the relationship between the province and municipalities, so I'm particularly pleased to hear of the support you're getting, the efforts by the various ministries in support of your particular needs. Thank you for being here.

Mr. Kevin Somer: Thank you, and we'll be coming back to you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

SYLVIN LACROIX

The Chair (Mr. Pat Hoy): Committee members, I'm advised that the next presentation will be in French. If you want to get your translation device ready, the channel will be channel 1. Our presentation will be by Sylvin Lacroix, if you would just allow people to get ready here. I would advise you that you have 10 minutes for your presentation, and there could be five minutes of questioning. If you would please identify yourself, and we can have a test here of whether this is actually working for us.

Mr. Sylvin Lacroix: Mon nom est Sylvin Lacroix. Je suis père de famille. Je suis extrêmement heureux d'avoir la chance de parler à ce groupe de députés qui sont venus dans notre communauté. Je pense que c'est le fun de voir que la démocratie donne aussi la parole aux gens ordinaires, aux simples pères de famille. Donc, merci de me donner la chance.

Je pense qu'il est important, quand les parlementaires, et surtout les ministres, préparent leur budget cette année, qu'ils regardent la situation des familles dans le nord-est de l'Ontario. Moi, j'ai la chance d'avoir quatre mag-

nifiques enfants âgés de 13 ans à sept mois. Je suis marié à mon épouse depuis 14 ans. Elle est présentement en congé de maternité.

Ce qui nous a surpris, à la naissance de notre petite fille, c'est comment on trouvait qu'il y avait peu d'aide qui venait de la province pour nous aider. On se demandait comment ça se fait, dans une société comme la nôtre, que les familles ne sont plus récompensées, car on sait que la survie de notre société, ce sont les enfants qui s'en viennent en arrière de nous. Ça m'a toujours un peu tracassé de voir ce phénomène-là.

Nous avons un salaire familial de 55 000 \$. Donc, je me considère la classe moyenne très basse pour faire vivre quatre enfants. Moi, je dois travailler deux emplois. Je suis un intervenant d'adaptation scolaire dans un conseil scolaire francophone. Je travaille comme directeur général dans une association communautaire francophone de la ville de Timmins. Mon épouse, quand elle travaille, est cuisinière dans un restaurant de friture rapide. Présentement, comme vous le savez, avec son congé de maternité elle va avoir 42 semaines. À 42 semaines elle va devoir quitter notre petite fille pour retourner au travail, parce que le choix, c'est soit qu'on mange moins ou qu'elle aille travailler.

Je vais devoir tout changer mon horaire de travail pour pouvoir l'accommoder pendant qu'elle va travailler. Moi, je devrais être à la maison parce qu'on sait qu'il n'y a pas encore de service universel de garde en Ontario. C'est la situation familiale, je pense, de plusieurs familles dans le nord-est de l'Ontario.

On se demande quand la priorité sera mise pour desservir nos familles. Je vois qu'il y a des milliards et des milliards de dollars qui sont dépensés pour aider l'entreprise privée. Je ne ferai pas de jugement si c'est bon ou pas bon. Ce n'est pas à moi de décider. Mais j'ai hâte de voir qu'on va dépenser ces milliards et ces milliards de dollars-là à la classe moyenne faible, qui doit souvent travailler six et sept jours par semaine pour assurer la survie de sa famille.

Et ce qui rajoute encore à la bonheur de ma famille, c'est que mon garçon dans cinq ans va rentrer à l'université parce qu'il veut devenir professeur. Il veut aller travailler avec les jeunes, comme il y a des gens qui travaillent présentement avec lui, et c'est qui qui va devoir payer ça? Ça va être papa et maman en partie parce qu'il n'y a pas de service de bourses; c'est seulement des prêts. Donc, le choix qu'on va avoir à faire c'est, est-ce qu'on va rehypothéquer notre maison pour assurer que notre plus vieux va à l'école, parce qu'il y en a trois autres qui poussent en arrière, ou bien, est-ce qu'on va le laisser s'endetter par-dessus de sa tête et avoir un début de vie difficile?

Ce sont les défis que la classe moyenne du nord-est de l'Ontario vit présentement. Je me compte chanceux car j'ai encore un emploi. Je me compte chanceux parce que j'ai deux emplois. Je me compte chanceux que mes enfants sont tous en santé, que je n'ai pas besoin d'aller attendre cinq et six heures à l'urgence pour avoir des services de santé. Je suis en outre chanceux parce que j'ai

un docteur de famille, même si notre docteur de famille a 71 ans. Je peux appeler à quelque part pour avoir des services, pour avoir un rendez-vous.

Mais il ne semble pas que la situation va s'améliorer, malgré qu'on vit un « boom » économique exceptionnel présentement en cause des mines. On sait que c'est un « boom » économique qui va être temporaire : cinq, 10, 12, 15 ans, on ne le sait pas. Mais l'avenir n'est pas très rose, je pense, pour les familles de classe moyenne du nord-est de l'Ontario, et je pensais qu'il était important de venir aujourd'hui comme père de famille.

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En passant, j'ai trouvé un peu drôle de voir que je n'avais pas de titre. Je pense que le titre de père de famille fait bien dans la présentation. Je représente une famille de six, mais je pense que je représente beaucoup plus que ça. Je pense que je représente des centaines de milliers de familles en Ontario, et je vous remercie encore une fois de me donner la chance. Je pense que c'est seulement une démocratie qui donne la chance à Sylvain Lacroix, un simple père de famille, de venir parler à une dizaine de députés.

Je suis prêt à prendre des questions, monsieur le Président.

The Chair (Mr. Pat Hoy): Thank you. Do you mind whether the question is in English or French?

Mr. Sylvain Lacroix: Not at all, sir.

The Chair (Mr. Pat Hoy): The questioning will go to the official opposition. Mr. Arnott.

M. Ted Arnott: Merci beaucoup, Monsieur Lacroix, pour cette présentation. Je n'ai pas de questions pour vous aujourd'hui, mais peut-être que M. Bisson a une question.

The Chair (Mr. Pat Hoy): Mr. Bisson, I'm just going to ask the committee if they are agreeable to passing the question to you. Are we agreed? Agreed.

M. Gilles Bisson: La question, et je pense que c'est assez simple, est que le brut de ce que vous nous dites est qu'il devient de plus en plus difficile, comme famille, de survivre avec les emplois qui nous donnent les salaires de ces jours-ci. Est-ce qu'il y a quelque chose que ce comité peut recommander au ministre des Finances, quelque chose dans ce budget pour assister les familles? Y a-t-il une couple d'affaires auxquelles vous pouvez pointer pour dire, « Si vous faites ça ou l'autre affaire, ça peut faire une différence pour ma famille ou à d'autres »?

M. Sylvain Lacroix: Je pense qu'il y aurait deux priorités dans le cas de ma famille et je pense, encore une fois, dans le cas de plusieurs familles. Ce sera vraiment un service de garde, puis on va prendre l'exemple de celui du Québec. C'est toujours celui du Québec qu'on donne en exemple, les garderies à sept dollars. Je pense que, dans un cas familial comme le mien, ce serait une aide exceptionnelle.

L'autre chose qui serait peut-être intéressante, c'est qu'il y aurait un crédit d'impôt qui fonctionne un peu comme le fédéral, un crédit d'impôt pour enfants. On sait qu'on reçoit un crédit d'impôt à tous les mois du fédéral.

Je pense que ce seraient deux points qui pourraient aider les familles à s'avancer—pas juste à survivre mais à s'avancer et avoir un peu plus de bonnes choses dans l'avenir.

M. Gilles Bisson: Nous autres, ça fait longtemps qu'on n'a plus de bébé à la maison, mais on va être grands-parents cet automne. Ça coûte combien par semaine, un enfant en garderie aujourd'hui?

M. Sylvain Lacroix: Je ne sais pas parce que nous, pour les trois enfants les plus vieux, la décision qu'on avait prise c'est que Darla, mon épouse, resterait à la maison jusqu'à ce qu'ils soient tous à l'école.

On a décidé huit ans plus tard d'avoir un autre enfant, et cette décision-là—on ne pourrait plus le faire. On va devoir prendre la décision. Mais j'imagine que ça devrait être au moins entre 30 \$ et 40 \$ par jour pour un service de garde.

M. Gilles Bisson: Ce qui veut dire qu'un gros pourcentage du revenu qu'elle avait fait comme salaire va être—

M. Sylvain Lacroix: Ça serait plus qu'un gros pourcentage. On regarderait 60 % sans son salaire.

M. Gilles Bisson: C'est difficile.

Vous avez fait le point sur votre enfant le plus vieux qui s'en va au collège ou à l'université, j'imagine. C'est quoi qu'on a besoin de faire? Est-ce qu'on a besoin d'avoir un programme qui donne des bourses? Qu'est-ce que vous suggérez?

M. Sylvain Lacroix: Je pense que le programme devrait être flexible. Je pense que ce serait une combinaison, encore une fois, si le gouvernement n'a pas de fonds limités, et je pense que les gens devront rembourser une partie. Mais je pense que ce serait au moins quelque chose qui ferait 50-50 présentement. Nous, on regarde présentement, pour mon garçon, quatre ans d'université : 30 000 \$ d'investissement. Donc, je me dis qu'au moins il y aurait 15 000 \$ d'aide directe du gouvernement et un prêt de 15 000 \$ qu'on pourrait donner à mon garçon à rembourser. Je pense que ce serait plus acceptable et plus plausible, et cela aiderait les familles.

M. Gilles Bisson: Merci.

The Chair (Mr. Pat Hoy): Merci, and thank you.

Interruption.

The Chair (Mr. Pat Hoy): These devices will go off—they'll shut it off at the desk over here.

Mr. Gilles Bisson: I thought that was a remote.

NORTHERN COLLEGE

The Chair (Mr. Pat Hoy): Now I call on Northern College to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes for questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard, and you may begin.

Ms. Loran Charbonneau: Good morning, everybody. We are here representing Northern College this morning, the smallest of Ontario's 24 colleges of applied arts and technology.

My name is Loran Charbonneau. I'm the executive director of college operations and services at Northern College. My colleague is Fred Gibbons, who is the executive director of the north region. We have a north region and a south region, which we will explain to you momentarily.

This morning, we'd like to provide you with some insights into the context of our operations, a sense of our uniqueness, our challenges and our opportunities, as well as our suggestions to you, the standing committee on finance and economic affairs, regarding how the province should allocate some of its budget.

Northern College serves approximately 1,400 full-time students and 9,000 part-time students in an area that covers 160,000 square kilometres. It serves 66 communities and 17 First Nations. If you refer to the fact sheet that we distributed, you'll see a map on there and it illustrates in yellow the area that Northern College serves. That area represents almost 20% of the province's total land mass.

We have four campuses: one here just outside of Timmins, which is our Porcupine campus, one in Kirkland Lake, another in Haileybury, and one in Moosonee. The campus in Moosonee has air access only; there are no roads to that campus, and a return flight from Timmins to Moosonee is \$800.

We have 220 full-time employees who serve a population of 123,000 distributed across 20% of Ontario's land mass. Needless to say, our travel budgets are significant. We offer a total of 75 different programs in a variety of delivery formats. We, like our sister colleges, struggle operationally to balance our budgets every year, but we applaud this government for recognizing the distinct challenges of being small, northern and rural and providing us with some specific funding to meet those challenges by way of the small, northern and rural grant.

With the majority of our post-secondary students being first-generation learners who are the first in their family to access post-secondary education, 20% of our students being identified with disabilities, and 20% of our students being aboriginal, the access-to-opportunities grant for under-represented groups is another provincial grant that Northern is very appreciative of.

The beauty of being small and northern is being able to use such funds in unique ways, in partnership with our communities, to make a positive difference in people's lives. One such example is the first-generation initiative that Northern College recently engaged in, which was designed to raise awareness, build a foundation and create access for our James Bay coastal youth. Ninety-seven grade 8 students, chaperones and teachers travelled via air to our campuses in Porcupine and Kirkland Lake, where they took part in innovative program and career-related interactive activities with our faculty. The participants were exposed to a forum of presentations that included topics such as educational authority band financial sponsorships, bursaries, post-secondary programs and services—which included apprenticeship opportunities—information about our student support

services, and a presentation from our native student advisers. The communities that participated in this initiative from the James Bay coast were Attawapiskat, Fort Albany, Kashechewan and Peawanuck.

When you consider that in Attawapiskat only 30% of the adults aged 33 to 44 have high school diplomas, it is very apparent that exposure to the possibilities of post-secondary education is a key motivator for these grade 8 students to carry on their education. It's essential in today's economy that a greater number of people have access to higher education and training. With our aboriginal population in Ontario growing by 68% over the last five years, compared to 12% for the non-aboriginal population, aboriginal youth will be a critical component in meeting our shortfall in skilled workers over the next few years as the baby boomers continue to leave the workforce. For Ontario to achieve its goal of economic strength and prosperity for all, we must work together to produce a greater number of college graduates.

1010

While Northern College recognizes the province's significant investment in deferred maintenance and minor capital, it has not received any funding for major capital since 1989. Northern College is in desperate need of additional shops for trades and of labs for both its human and animal science programs. We need new square footage at two of our campuses. The Porcupine campus in Timmins requires \$16 million to realize its capital project, which is threefold. It addresses the demand for skilled trades workers, health care providers and emergency service personnel.

The economic climate of the region served by this campus has dramatically changed over the past few years. Base metal and gold prices are at their highest levels in more than a decade. This has resulted in increased exploration, new mines being developed, and existing mines expanding their operations, and the economy in general is growing exponentially in response. In the face of an already existing skilled trades shortage, the demand for trades, apprenticeship, technician and technologist program graduates is at an all-time high, and is expected to remain high throughout the next 10 to 20 years. Northern College needs more trades shops and classrooms to meet this demand.

The second component of this particular capital project is the provision of health care services. The provision of health care services is under stress throughout the province, perhaps even more acutely in northern Ontario, and particularly in aboriginal communities. The demographics in the health care sector point very clearly to a shortage of trained, qualified workers. Northern College has had a profound and positive impact in supplying health care graduates to the region, such that approximately 50% of the workers currently employed are graduates of Northern College. The need to continue to supply the human resource requirements for the health care sector in this region is paramount. Northern College needs the infrastructure to meet this need.

A third component is emergency services. There is a dynamic community partnership evolving for the training and provision of emergency services workers. Northern College, the city of Timmins, and the Cochrane District Social Services Administration Board emergency services are proposing to partner together in a unique community project that will enhance fire and ambulance services in Timmins. It will result in gains for the community's emergency services providers and greater access by our students to professional training and specialized equipment as provided through these two community agencies.

For our second capital project we are looking for \$1.5 million, and this is for our Haileybury campus. The Haileybury campus is looking to expand its operations to carve out a niche in the region for excellence in life sciences. This centre will establish the Haileybury campus as a centre of science and expertise and will increase opportunities for retaining residents of all demographics. Through this expansion, knowledge and training will diversify the region and will allow for new scopes of experiential learning, including:

- research in agriculture, such as alternative energy, seed types, and growth strategies;
- mining partnerships which may utilize the new laboratory space for training much-needed workers, upgrading the workforce in the area and introducing new programs to expand on current strengths—for example, environmental reclamation;
- the opportunity to pair existing and new program opportunities to conduct applied research to solve issues facing northern Ontario, such as land remediation in permafrost environments;
- the capacity for the enhancement of the veterinary sciences and animal care field to link animal health and well-being to that of humans through new courses, applied research opportunities, and industry partnerships; and

—the protection and enhancement of the environment in northern Ontario through a further specialization in wildlife rehabilitation and natural resources management.

So that's the Haileybury campus capital project.

To quote from the government's recent speech from the throne, "When we improve the quality of public education, when we provide our young people in particular with the skills they need to succeed, we get the best workers, who land the best jobs, who in turn build the strongest economy, which funds everything we want to do together."

We look forward to continuing to work with you and your colleagues at Queen's Park to promote a strong Ontario where all people have the opportunity to fulfill their potential. Thank you.

The Chair (Mr. Pat Hoy): And thank you. Continuing the rotation, the question will go to the NDP.

Mr. Gilles Bisson: First of all, I want to welcome you to the committee and thank Northern College, Collège Boréal and Université de Hearst, which do an amazing job in their area, and with very little, to meet the needs of

the community and individuals when it comes to education but also those of industry.

I know in meeting with people like Liberty Mines, Xstrata and other mining companies that I've been meeting with since the fall, training is one of the issues that they're having to struggle with. There's a shortage of skilled tradespeople, a shortage of qualified miners, and they're struggling trying to fill these positions. I guess the question I have for you is, if you had to say one, two or three things that are preventing us from training the amount of people that we need to locally, what would they be? What are the things that are holding you back? You talked about the capital project and I take it there are a few others.

Mr. Fred Gibbons: Yes, capital would be one of them for sure. Not necessarily in this particular order, but three things would include a different type of public education program, such that children at a younger age are informed of the variety, the menu of possible occupations, that not everybody has to go to university. You can earn a very good income these days and a higher standard and quality of life. That's one of the efforts that Loran cited in her notes to you. We've brought grade 8 children from the coast down. That's particularly important, because coastal students don't have the same privilege and access to the kinds of things that students who grow up in an urban area like Timmins and Toronto would see.

We're also finding that children are making decisions about post-secondary education at younger and younger ages. At one time, we thought we had to get to them in grade 11, and then we realized they're making decisions in grade 9. Now we're finding that when they come out of the elementary school system, they're virtually streamed at that point. So that would be the second piece: a different form of public education program to attract students to non-professional kinds of occupations.

The third would be greater co-operation amongst the institutions throughout the north. We don't all have to be competing for the same students, offering the same kinds of programs. It would make much more sense, I think, to rationalize where people's expertise lies and really develop centres of excellence around that expertise, as opposed to mediocre programs that could be the consequence.

Mr. Gilles Bisson: The other thing you touched on is the nursing program. I'm aware, as committee members should be aware, that we've graduated a lot of nurses through Northern College and other institutions. One of the things that I was told recently is that there's a program that reimburses some of the tuition cost if they decide to practise in under-served areas. What's particularly bad for us here in the city of Timmins is that they don't qualify for that because Timmins is not seen as under-served. As a result, it's where we need most of our health care workers because we are the referral centre, and we're having difficulty attracting your graduates into Timmins institutions because—no offence to my good friend the mayor of Smooth Rock Falls, but if you

can get your tuition paid by going to Smooth Rock Falls, Kap or Hearst, that's where a lot of people are going. Any recommendations?

Mr. Fred Gibbons: Yes, I think the emphasis needs to be redirected. It shouldn't penalize students for taking their education in a centre that doesn't qualify. I think that should be transparent. Students should be able to take their education anywhere they choose, and the incentive should be to encourage the graduate to stay in an area that's been under-served, not to induce them to go there in the first place.

Mr. Gilles Bisson: Very good.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

1020

TIMMINS CHAMBER OF COMMERCE

The Chair (Mr. Pat Hoy): Now I call on the Timmins Chamber of Commerce to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Ms. Marilyn Wood: Good morning. My name is Marilyn Wood and I'm the president of the Timmins Chamber of Commerce. I thank you for the opportunity to present this morning.

The Timmins Chamber of Commerce represents more than 685 business members in the Timmins business community. Since its incorporation in 1949, the chamber has been the recognized voice of business for the community.

The chamber is proactive in voicing its members' concerns with respect to local, provincial and federal government policy while actively addressing educational, civic, social and economic issues. It is in that role that we wish to address you today.

This submission provides an overview of a number of areas of interest for the Timmins Chamber of Commerce and its membership, including investment in public infrastructure, the diamond royalty, energy prices, the doctor shortage, education and training, wood flow, revenue sharing, the retail sales tax and the Mining Act review.

Starting with investment in public infrastructure: The Ontario Chamber of Commerce conducted a survey of 358 leaders in business, labour, academia and government, in which 91% of respondents cited infrastructure as the most critical issue to be addressed in the province of Ontario, with roads and transportation considered the most important elements.

Here in northern Ontario, we know all too well what it is like to travel roads that are riddled with potholes and with shoulders that are far too narrow. Our municipal level of government does what it can to keep our roads in good shape, but a funding shortfall from the provincial government prevents us from having the roads that we require and deserve.

Economic growth has created challenges with our infrastructure, and the city of Timmins is struggling to find the funds necessary to expand its sewer capacity so that it can accommodate development on the outskirts of the city.

Increased exploration activity means that there are more trucks on our roads contributing to the erosion of our streets, and this highlights the need for the construction of an alternate route which would allow heavy trucks to bypass the downtown core. This project has been talked about for decades. The city of Timmins needs the province to come to the table in a partnership for these basic infrastructure needs.

The construction of the Victor diamond mine near Attawapiskat has highlighted the need for a permanent year-round road up the James Bay coast. It is the opinion of the Timmins Chamber of Commerce that coastal residents should have a say in whether this permanent road is built to link them with the rest of the province, and then the provincial and federal governments must come together in partnership to build that road. If not now, when?

The currently strong economy in Timmins has created additional revenue streams not just for the municipality but for the province as well. This revenue, which benefits all of Ontario, must also provide the funds needed to maintain the infrastructure on which economic activity depends.

With regard to the diamond royalty, the Timmins Chamber of Commerce and the Ontario Chamber of Commerce have voiced their concerns about the diamond royalty introduced in the 2007 provincial budget. Our concerns were borne out by the shock that was felt not only in the mining industry but throughout the entire business community. It is virtually unheard of for a First World government to change its tax structure after a large company such as De Beers receives shareholder approval on a \$1-billion investment, an investment that was approved with the understanding that the provincial mining tax was fixed at 5%. The diamond royalty calls for diamond mines to be taxed between 5% and 13%, depending on production values.

On July 12, 2007, then-Finance Minister Greg Sorbara requested a meeting with the Timmins Chamber of Commerce to discuss the diamond tax. At that meeting, he committed to keeping the diamond tax in the range of 3% to 7%. The Timmins Chamber of Commerce asks that Finance Minister Dwight Duncan honour the word of Mr. Sorbara and work to ensure that De Beers remains whole.

With regard to revenue sharing, northern Ontario is a \$24.5-billion economy—larger than Prince Edward Island, Nova Scotia, New Brunswick and the Territories combined. Yet, northern Ontario residents cannot make decisions on how provincial or federal money is spent in the north. The chamber is urging the province to address this through revenue sharing.

As an example, the chamber would like to see a structure created to ensure that a fair portion of the tax

revenues generated from the De Beers project is re-invested in the infrastructure of northern Ontario. De Beers has made a strong commitment to the region, as evidenced by an aboriginal employment rate of 50%. The Nunavut diamond mining project, on which the new tax structure was reportedly based, included a generous revenue sharing model which is conspicuously absent from the new model that is proposed for De Beers. We would like to see both the provincial and the federal governments develop revenue sharing models throughout northern Ontario.

With regard to energy prices, Ontario, as you know, has lost more than 175,000 manufacturing jobs over the past three years. High energy prices, the rising value of the Canadian dollar, and the slowing US economy are three of the biggest reasons for this. While the province has no control over the exchange rate or the American economy, it does have the power to set energy prices for large users and make energy an economic driver. Here in Timmins we have the second-largest consumer of power in Ontario: the Kidd Creek metallurgical site, owned by Xstrata Copper. The Kidd zinc operation spends about one third of their operating costs on electricity, and by continuing to operate here in Timmins, it costs them between \$15 million and \$20 million per year more than if they were operating in Manitoba or Quebec. Using industry standard multipliers, this potentially impacts about 1,200 jobs if they decide to move their operations to a more industry-friendly province.

According to TD Canada Trust, the Ontario economy is forecasted to expand by 1.5% this year and merely 2% next year, barely escaping a recession, and slipping to last place on the provincial growth outlook. Energy must be used as an economic development and retention tool. An energy strategy must be developed and implemented to ensure that northern Ontario's competitiveness is created, and that it creates a more stable environment for industry and overall community development. Short-term subsidies should fix hydro rates for manufacturers at \$45 per megawatt hour as the first component of a five-year plan to restructure the cost of energy production, supply and transmission.

With regard to the doctor shortage, Ontario is currently short more than 2,000 physicians, and the Ontario Medical Association estimates that more than 1.4 million people living in Ontario are without a family doctor. People living in rural and northern communities in Ontario are severely affected by this shortage, and Timmins is certainly no exception. The Timmins Chamber of Commerce is concerned about the shortage of doctors, nurses and nurse practitioners in northern Ontario. This shortage compromises the health and well-being of our families, contributes to long waiting times in emergency rooms and impedes business from attracting and retaining a workforce.

The Ontario Chamber of Commerce has urged the government of Ontario to enhance and make public their strategy for recruiting Ontario-trained doctors back to Ontario and to develop a repatriation program aimed at

recruiting Canadian-trained physicians in other countries. We support this policy and sincerely hope that the province will make a strong commitment to attract doctors to northern Ontario. To that end, the Timmins Chamber of Commerce asks that the provincial government increase funding for the Northern Ontario School of Medicine to enable the training of more physicians. It is our hope that more NOSM graduates will mean more doctors for northern Ontario in the years to come.

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With regard to education and training, one of the biggest concerns of our members is their difficulty in finding skilled workers. The skilled worker shortage is an issue that needs to be addressed by industry and government if northern Ontario businesses are to remain competitive.

To that end, the Timmins Chamber of Commerce requests that the provincial government increase funding to post-secondary institutions in northern Ontario in order for them to accommodate more students in skilled trade courses. In addition, it is imperative that the Ministry of Training, Colleges and Universities be given the funding necessary to implement effective apprenticeship programs to help students and employers alike.

Youth out-migration contributes to the labour shortage in northern Ontario, specifically the Timmins region, and without a university in Timmins we see our best and brightest students leave the community to seek an education, never to return. Research has directly linked post-secondary education with community prosperity. Communities with higher numbers of university graduates tend to earn more and have a more stable economic future. For these reasons, we ask that the province support the establishment of ONE U, the Ontario Northeast University. This project addresses the post-secondary education needs of Timmins and area residents, recognizing the possibilities that are offered by new telecommunication technologies.

At the same time, the provincial government should recognize the valuable role played by Northern College in Timmins and surrounding area. For many young people, the college is a springboard to a lucrative career. Timmins Chamber of Commerce members speak very highly of Northern College partnerships, and the chamber asks that funding to Northern College be increased in order to meet the training needs for our young people.

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Ms. Marilyn Wood: Thank you.

Many sawmills have closed in northern Ontario, including those in Opasatika, Kirkland Lake, Smooth Rock Falls, Dryden and Cochrane, devastating these communities. Sadly, there was absolutely no consultation about long-term wood allocation out of these communities before these mills were closed.

While the Timmins Chamber of Commerce supports the temporary disposition of wood to other jurisdictions for economic reasons such as temporary shutdown, the

long-term re-allocation of wood out of Ontario will have a serious negative impact on the economy. To that end, the chamber is urging the Ministry of Natural Resources to hold public hearings before allocating more than 50,000 cubic metres of wood out of any particular region.

With regard to retail sales tax, businesses are mandated by the provincial government to act as tax collectors, collecting the retail sales tax which goes directly to government coffers. Here in Timmins, businesses are faced with an awkward and potentially sensitive situation. According to the tax rules, status Indians, Indian bands or band councils may purchase most goods and services without paying retail sales tax, as long as services are provided to an address on a reserve and goods are purchased for use on a reserve. Consequently, we have a situation where tax is collected from some, but not all, and there seems to be a disconnect in the communication between provincial auditors and retailers to implement the actual ministry policy, since retailers are being held liable for taxes that were deemed collectible.

The Timmins Chamber of Commerce supports the Mining Act and the regulations that dictate the relationship between the surface rights owners and the mineral rights owners. A petition by cottagers in Tay township threatens to reunify surface and mineral rights. That reunification of surface and mineral rights would be to the detriment of the mining industry and in turn would damage the economy of northern Ontario, where 99% of the province's mining takes place. In 2006, 66,000 new claims were staked in Ontario and 99% were in northern Ontario; in 2006, the production of \$7 billion worth of minerals, the majority from metals. The mining industry employs 14,000 people in the north, with an additional 1,800 employed in exploration.

You have the information before you. I will skip to the conclusion and say that northern Ontario has a unique economy prone to boom-and-bust cycles. Our economy largely depends on non-renewable natural resources, and we must balance the need for sustainability of our economy with sustainability of our communities. While northerners often feel alienated and left out of the decision-making process, the future is the one thing we all have in common.

In closing, we would like to remind the province that what's good for the north is also good for the south. The Timmins Chamber of Commerce would like to thank the standing committee on finance and economic affairs for the opportunity to present our vision.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government, and Ms. Aggelonitis.

Ms. Sophia Aggelonitis: Marilyn, thank you very much for that presentation. It was very passionate, and I'm really glad to see you. There are a couple of comments I'd like to make. First, I'd like to congratulate the Timmins Chamber of Commerce for getting the accreditation through the chamber. I know that's a very difficult process. Congratulations to you and all of the members.

I also wanted to make one remark. I see someone in the audience who is very well recognized with the chambers across not only Ontario but across Canada, and that's Ms. Keitha Robson, who is your manager. So welcome, Keitha, as well.

Ms. Wood, could you tell me a little bit about your 685 members and whom they represent?

Ms. Marilyn Wood: We have a spread from very, very small to very large. Our largest operators are the forestry companies and mining companies. The great majority of our members are five employees and under, so we do have a very wide spread, but SMEs are the focus.

Ms. Sophia Aggelonitis: In your presentation you spoke about the doctor shortage, something that we, all across Ontario, are very familiar with and which is a challenge amongst many cities. What exactly is the Timmins Chamber of Commerce doing about that?

Ms. Marilyn Wood: We are working both with the educational perspective and with the hospital. We have the Timmins and District Hospital here and we're making every effort to recruit new doctors. We have a very active committee that is working to recruit particularly northern-trained doctors. We feel that working with the Northern Ontario School of Medicine is going to be our best bet to recruit and retain the northern talent that often goes south and never comes back.

Ms. Sophia Aggelonitis: Thank you very much.

Ms. Marilyn Wood: My pleasure.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

CITY OF TIMMINS

The Chair (Mr. Pat Hoy): I call on the city of Timmins to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I'd ask you to identify yourself for the purposes of our recording Hansard.

Mr. Tom Laughren: My name is Tom Laughren. I'm the mayor of the city of Timmins. First of all, I would like to take this opportunity to welcome you to Timmins. I think this is a great initiative and it's a real opportunity for our community. I'm sure that during the day you're going to hear many passionate pleas, and you're also going to see, I believe, that many of the presentations are going to be very similar. The one thing I've seen in my short term as mayor in this community is that from a regional perspective and a northern Ontario perspective, we are now starting to speak a lot more with one voice rather than being broken up the way we used to be.

We've given you a copy of our presentation. It's a long presentation, and I'm not going to read it word for word. I'm going to touch on what I believe are some of the highlights. I'm going to try to bring some of the northern Ontario passion to some areas, but we will be talking about the need for predictable and stable revenue for municipalities, infrastructure, the need for long-term-

care beds in our community and region, the need for affordable housing, the Ontario municipal partnership fund, district social service administration board funding, energy, the provincial diamond tax, policing issues, and I know you've just heard from the chamber as well on some of these issues.

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To start with the need for predictable and stable revenue for municipalities, one of the biggest challenges that we have in Timmins is revenue. Our tax base continues to shrink, specifically related to large industry. Over the past six, seven, eight years, large industry has had their assessments reduced drastically through MPAC. It's had a huge effect on our community, on our residential tax base. One point that I use quite often in any of my presentations is the fact—I was on council for 10 years and was off for three. In the first eight or nine years of that, our average tax increase in Timmins was probably somewhere between 1% and 2%; now we're averaging 4% and 5%. When you look at what's happening with water and sewer rates in Ontario, people are actually becoming fed up.

So we need to put some plans in place that will give municipalities revenues, and they've got to be sustainable revenues. Municipal revenues are not keeping up with the cost of living, let alone the service responsibilities. When you look at the service responsibilities that municipalities deal with today, we're into health services, social services, public transportation, waste management, water purification, public safety and roads—huge responsibilities, all requiring huge dollars.

What we are advocating in our presentation—I don't know how many of you have seen this, but last year I was one of the five large urban mayors from northern Ontario who presented to the party leaders back in April a document called Northern Lights. It's a document that we feel has many opportunities and solutions for government going forward. We believe that the government has to look at what we put out as far as natural resources, the dollars. Those dollars are quoted in here. But we have an abundance of natural resources—forests, metals and minerals, water—all of which contribute significantly to the economic wealth of this province.

The costs of maintaining vital local infrastructure such as roads, fire protection, water etc. have increased and are demonstrated to be higher for communities in northern Ontario than in other regions of the province due to our geographic and climate conditions as well as the increased costs associated with servicing the natural resources industries that are predominant in northern Ontario. One example, and I'm sure you'll hear this from the mayor of Sudbury as well, is that we definitely want to see mining in our communities, but right now you're not seeing mining any longer building metallurgical plants or gold mills. They're utilizing the ones existing in the community. What that has meant for our community and others is that we have large trucks going through our community, using our roads on a regular basis. In many instances, these mines are out of our jurisdiction. We do not get any funding for that.

In talking to the mining companies, they all recognize the need for infrastructure and the dollars, but they really look at that as being either a municipal or a provincial responsibility. We cannot continue. On our main thoroughfare here, we're going to have to spend millions of dollars. We're looking at a bypass in our community to avoid some of this, but when you're talking of a bypass around a community that's the size of ours, you're talking millions and millions of dollars. So we need to work together—the federal government, the provincial government—to work out some kind of plan that we can all live with.

In any meetings I've had with ministers, we talk a lot about provincial programs such as COMRIF. In Timmins, we applied each year for COMRIF and were not successful in any. I have to say that when we put our proposals together, we based them on the strategy of the program at the time. When I looked at the last COMRIF, I saw many communities that had recycling, as an example, that were given money as part of this COMRIF infrastructure program. When I was down a week or so ago to meet the MNDM minister, he talked to me about COMRIF 4. That scares me, because we haven't made anything in COMRIF 1, 2 or 3. Whatever is structured here has got to be fair for all municipalities, so that everybody can get it. In Timmins, we are just preparing now—there's a provincial program that's out for infrastructure that's program-ready—shelf-ready programs. We appreciate that, but there is a lot of work that goes into those shelf-ready programs. We've got two that we can submit and will be submitted, but again, if we're not chosen, for us that's \$6 million. These are water-related, and when I project out our water and sewer costs for the next 10 years, we're looking at \$52 million. For a community of 45,000 people, with water users that's probably about 15,000 residents; that's a huge cost. We support the provincial government with the Walkerton recommendations, but we need help to be able to implement those or, very shortly in northern Ontario—and many communities are there now—water and sewer rates are going to be much higher than taxes.

The other area that I'll talk a little bit about is provincial land tax reform. I'm not going to go in depth as to what we have on page 4 of our presentation, but I think the main point I want to emphasize on this is the fact that we as municipalities want to be part of where those dollars are going to go. I've had people in my office who are now waking up to the fact that they access some municipal roads to be able to get to their cottages which are outside of our jurisdiction. When they start paying these taxes to the provincial government, their expectations are that we, the municipality, are going to upgrade our share of that municipal road, or the 20 kilometres that take them outside of our boundaries, to a much better standard. From what we've seen so far, we don't see any money coming back from this provincial initiative—land tax reform—into our communities. So we want to be part of some of the solution.

We've talked a little bit about infrastructure. Again, we're very, very appreciative of the federal gas tax and

the provincial gas tax. They're ones that we have utilized to better our transit service in this community. They're ones that we have utilized to better some of the roadways. If any of you, as an example, flew into Timmins airport to attend this meeting, we did the half between the Timmins airport and this facility last year with federal gas tax money. That's a highway that was downloaded to us back in 1997—and we're going to talk about that in a couple of minutes—but the provincial gas tax funding is very restrictive as to what we can use it for. It has to be something related to transit. When you look at the infrastructure needs that we have within our community, we would like in some instances to be able to match that with what we can utilize our federal gas tax money for, as an example.

The cost of infrastructure—I don't think we need to go into that. I'm pretty sure that at any of these meetings you people have had, infrastructure is probably one of the number one items. But again, we don't have a country or a community if we don't have good infrastructure. When you look at the size of Ontario and the distances that people have to travel, infrastructure is something that is very, very important. I have to be very honest. When I turn off the highway at North Bay to come north on Highway 11, it's almost like day and night, the condition of those highways, passing lanes—never mind in our own community. So there's something that definitely needs to happen.

We estimate in our community alone that our deficit in infrastructure right now is approximately \$220 million. When you look at the size of the community, that's a huge challenge. We have \$100 million in expenditures over the next 15 years that will strictly revolve around water and sewer, as an example. It won't make a big impact on the roads and the conditions that people travel in. I have to tell you that for anybody who comes into your community, infrastructure—roads—are probably the first thing that they see, and it really makes a lasting impression on them.

Another part I want to very briefly touch on, and we have done this with ministers in the past—I think if you were to go to page 7 in our report and just take a look at the kilometres of highway that were transferred to the city of Timmins versus the other four large municipalities in northern Ontario, it's like night and day. We received 87 kilometres of provincial highway between 1997 and 1998. At the time, we had done a study. We had Stantec come in when we got the first 78 kilometres-plus, and they told us at that time that we should be putting \$1.2 million a year away just for capital improvements to these roadways. For us at that time, that was almost a 4% tax increase. With the other challenges that we have had with water, sewer and infrastructure, we have never been able to put that money aside for capital. We have managed now to build in the cost to our taxpayers of maintenance on those 87 kilometres of highway.

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Again, we have gone many times with other municipalities that have been affected as well and asked the

province to upload all of those 87 kilometres of highway. We've kind of given up on that and what we're suggesting in the document is that the province would upload three of the highways. One of them is what we consider a link between Highway 101 and Highway 11. It has a provincial park on it. It is a link between our community and Iroquois Falls. Iroquois Falls and Timmins were very fortunate to get half of that. As an example, we have a bridge on that roadway. We got approximately \$1.2 million at the time of transfer to repair a bridge. To be able to meet all the requirements to repair that bridge in today's dollars, which is a project—we've now got that down to one lane on a major thoroughfare. We're going to go ahead with that project this year, but the cost is \$3 million, so we've got to come up with \$1.5 million of our own money to put into that bridge. Those are dollars that we do not have. It's a one-lane bridge right now.

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Mr. Tom Laughren: Yes.

The airport road, again, the one you came in on, we see as a regional centre.

The one thing that I do want to touch upon in my last minute here is long-term-care beds. You're going to have a presentation, I know, after myself this morning. We have made presentations to Minister Smitherman and to the North East LHIN. Everybody realizes the crisis we're in, but we've continued since 2004 to be in that crisis. We need long-term-care beds in this community; we have recommended 64. I haven't heard anybody disagree with that number, but when you look at what it's costing this government when you have 25% of your total hospital beds with ALC patients in them, the money that you're spending there versus the money that could be spent on long-term-care beds is about triple. So we're looking for long-term-care beds.

You see we have affordable housing. We have some inequities that we feel are going to happen in our Ontario municipal partnership fund related around the frozen assessment. Again, we feel that with what's happening in the forest industry, many of our outlying communities that are part of our social service board—their assessments are going to drop, and ours in Timmins, because of what's happening in mining, are going to rise, but at the end of the day we're going to be paying substantially more money to our DSSAB, which we feel is very unfair.

Land ambulance is the same thing. The province for years has talked about getting to 50-50 funding. I believe we're going to get there this year, but when you look at the geographic region outside of the Timmins boundaries that is being covered by ambulance and the high costs, we feel that we're subsidizing ambulance for the rest of the district and they subsidize many other areas such as child care and housing in areas that they don't have—well over \$800,000.

The last one I'm going to talk about very quickly is energy. You heard from the chamber, but we have a real fear here that, if we do not look at using energy for an

economic development tool, places such as the Kidd Creek zinc plant, which employs approximately 400 people in our community—because of that being 40% of their costs and they have plants in Quebec, they're definitely going to look at Quebec. So we're going to see our raw resources going from the Timmins area to Quebec. It makes no sense to me. We have to look at hydro rates as an economic development tool.

We've talked about the diamond tax. Again, we're strong proponents of that.

We also talk about policing costs.

The one I want to mention and I want to thank the government for is Collège Boréal. We're very, very appreciative of the provincial dollars that went into Collège Boréal, but we have other needs in this community. Northern College has had a funding application in for a couple of years. When I look at the skills shortage and the needs that we have in northern Ontario for unemployment going forward, the funding of colleges and of one new university is something that's very important to our community. The northern Ontario growth plan we want to be part of, and we're looking forward to it. But again, we want to make sure that people realize that northern Ontario, which is 80% of your land mass, has huge differences and those have to be identified in the northern growth plan. It's not going to be a one-size-fits-all program, but again, it's something we're looking forward to.

I know I'm over, so I thank you again for the time and the opportunity. I'm more than willing to answer any questions.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Tim Hudak: Your Worship, thank you very much for the very comprehensive presentation. Thank you too for your long-time service as a city councillor, now mayor, in the city of Timmins.

There are three topics I wanted to pursue, and you have a lot here for us to digest. Your page 15 comment about the danger of Xstrata Copper relocating to Quebec is alarming. That's 400 well-paying jobs. That would probably be a bit of a canary in the coal mine, so to speak, about other processors heading across the border. I know that concern has been raised with members of the committee. Is this a real concern in the community to date, that the energy price is that much different that they would relocate a facility of that nature across the border?

Mr. Tom Laughren: Well, I've seen numbers, and again, these are just numbers off the top of my head, from Xstrata, that if they were to move their metallurgical facility to Quebec, right off the bat they would cut \$20 million off of their operating costs. So, yes, it's a huge concern, and when you look at anybody who buys mines and milling facilities, they base on the size of the mine, the ore that they can bring up and mill, and the minute that one of those changes—and that could change for Xstrata very shortly. Right now, we're living in a high because of the price of base metals, but the minute that that equation changes and it's going to cost them money, they'll look at some of their other operations.

Mr. Tim Hudak: I understand it could be up to one third of the operating costs in the price of electricity for a facility like that.

Mr. Tom Laughren: I believe in the zinc plant alone, their energy costs are 40% of their costs. That's huge.

Mr. Tim Hudak: Just after that, you referenced the diamond tax, and I think you know that the PC caucus has strongly objected to the backroom hike in the diamond tax that would jeopardize future investment. It's something that you would expect from Hugo Chavez, as opposed to the province of Ontario, to change the tax rate after the fact. It was mentioned, I think, by the chamber, and I'm sure you'd be of the same view. Do you feel like the province is listening? Will they reconsider this tax hike?

Mr. Tom Laughren: Well, there are two things. Timmins and northern communities continuously talk about economic diversification, and when you look at a diamond mine—this is the first diamond mine in Ontario; I look at what they have done for the First Nations community and our communities as being huge. This should be a model for the government, looking forward to what they want to do with our aboriginal First Nations partners. I do believe that the government was listening. I think the chamber mentioned in their presentation that Minister Sorbara was here in August, and he committed to us at the time—I was at that meeting—that this would not cost De Beers any more than 6% or 7% of the 13% that was estimated. It wouldn't go to that, so we're hoping that that word is lived up to.

Mr. Tim Hudak: Okay. We'll follow up.

My last question deals with the PLT reform, no doubt a long time coming. You raised some concerns about how the province is going to distribute those funds. This committee had called upon the province to make sure that those dollars are allocated back into northern Ontario, but is it your understanding that the province will decide where each of those tax dollars is reinvested without the say of local municipalities?

Mr. Tom Laughren: I have not seen anything that has come across my desk or any of my administrators' desks that tell us where those dollars are going to go, but I have had people who—and we all know it happens. Baby boomers are retiring, they had cottages where they pay cheap taxes back to the government, and they come into the municipalities and utilize their services. We're not against the land tax reform, there's no doubt about it, but the expectations on the municipalities that provide those services are going to be much higher, and we want to ensure that some of those dollars will come back to our municipalities.

Mr. Tim Hudak: Do you have advice on how a model would ideally operate and how those funds are reinvested in—

Mr. Tom Laughren: Off the top of my head, my advice would be that I think it's very important for municipal stakeholders and the province to sit together and work out that formula. Again, they may have some ideas already.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Tom Laughren: You're welcome. Thank you. Enjoy your stay in Timmins.

Mr. Tim Hudak: Absolutely.

The Chair (Mr. Pat Hoy): We have.

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UNITED STEELWORKERS OF AMERICA, LOCAL 1-2995

The Chair (Mr. Pat Hoy): I call on the United Steelworkers of America, Local 1-2995, to come forward. Good morning. You have 10 minutes for your presentation. There may be five minute of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Guy Bourgouin: My name is Guy Bourgouin. I am the president of the United Steelworkers Local 1-2995 in Kapuskasing. I represent a geographical local of approximately 2,000 members. Don't let the name "Steelworkers" fool you; the biggest sector in the Steelworkers is the forest or wood sector.

Mr. Chair, members of the committee and fellow colleagues, bonjour et bienvenue. I would like to take this opportunity to welcome you to northern Ontario and thank you for allowing me to present before you today.

My local represents members in the forest industries from Hornepayne, Calstock, Hearst, Timmins, Chapleau, Cochrane, Kirkland Lake, Larder Lake and just about all points in between. In fact, my local is just as big as Gilles Bisson's riding

Mr. Gilles Bisson: It's bigger.

Mr. Guy Bourgouin: It's bigger.

Seriously though, it's sad to see the job losses and devastation in these communities. Just in my local we faced eight mill closures. Some examples are as follows: Domtar Chapleau, job loss 122; Tembec Timmins, job loss 101; Tembec Opasatika, job loss 70, for a total job loss in eight mills of 777. Just two days ago it was announced that there's an indefinite layoff in Kirkland Lake at a brand new finger-joint plant, with 45 jobs. This is not mentioning sawmills that have reduced from three-shift operations to one or two. Please take a look at appendix A in our document for further elaboration on forest sector job losses in northern Ontario.

Some of the plants that shut down were in single-industry towns where workers not only lost their jobs but lost their pensions, and their homes were worth close to nothing. What is sad about some of these sawmills that are idling right now is that with a little help from the government they would still be running. Tembec Timmins and Tembec Cochrane are two examples of sawmills which, with a little bit of help in reductions in electricity costs from the government, would have been back above the cost of operation and would still be running. Over 260 jobs would have been saved. It is imperative that the government reduce electricity costs as an incentive for companies that invest and provide work

for communities in northern Ontario. We produce electricity at a low cost in northern Ontario. It would only make sense that we pay less.

This is why our union feels that the next eight points need to be introduced which could revitalize the northern forest industry to move toward a healthier forest and a brighter future.

(1) Hydro pricing and jobs: The future of northern Ontario jobs and communities is threatened by the high cost of power. The provincial government must implement changes to deal with these costs, which have been identified as central to the job loss across the industry. The implementation of a regional authority to utilize the capacity to produce power at a competitive price and ensure supply is affordable is critical to any job-building or retention strategy.

(2) A regionally based timber allocation system: Regional timber boards run by representatives of workers, communities, First Nations and government would put people back into forest planning. Crown timber in each region should be set aside to meet locally set objectives, industrial diversification, value-added production and workforce training. Companies should not be permitted to harvest vast amounts of crown timber without processing it and providing jobs and economic activity in the region.

(3) Local manufacturing tied to timber harvesting: Set targets for job creation, diversification, value-added, research and training, and write into them a timber allocation system and timber-harvesting agreements. Companies should enter into long-term agreements with the regional timber boards, communities and their employees. Honouring these agreements should be a condition for holding on to or expanding timber-harvesting rights.

(4) Restocking and enhanced silviculture: To get crown timber, companies should agree to replant the timber they harvest and tend the stands they grow. In return, they should be guaranteed any additional volume they produce.

(5) Industrial diversification: Government needs to systematically target job creation through collaborative measures with companies, workers and communities. Taxation and regulation policy should be designed to encourage firms to develop new processes, find new markets and create new products. Training facilities should be located in forest-based communities.

(6) Provincial chief forester: Ontario should immediately appoint a provincial chief forester whose primary job would be to audit forest resources and ensure that logged areas are adequately reforested. Regions where mills have closed, putting communities at risk, should be the highest priority. Audit results and any subsequent recommendations to lower or raise rates—allowance harvest—should be subject to public review and comment before the chief forester renders a final decision.

(7) Effective mill closure review process: Companies should discuss alternatives to shutdowns with community

leaders, workers and local governments, including a realistic offer for sale. The appointment of a jobs commissioner with a mandate to explore all possible alternatives and ensure that all possible options are investigated is critical. Even when no alternatives to closure can be found, companies must provide reasonable and fair transition measures.

(8) Industry support fund: A jointly sponsored provincial and federal government fund to support forestry workers and communities should include both upside and downside training, pension bridging and early retirement support.

These eight points will offer future stability to the forest industry, workers and the communities in northern Ontario.

Another point that is even more frustrating for the workers who lost their jobs in the forest industry is that before the closure of these sawmills there were thousands of cubic metres of Ontario wood going to Quebec to be processed in Quebec sawmills. Now with the closures, the number of raw logs crossing the border has increased drastically, and Ontario sawmills remain closed. We are presently subsidizing Quebec sawmills at the expense of northern Ontario forest industry workers. There are enough raw logs going to Quebec to keep a sawmill running in northern Ontario. This has to stop so that when the industry turns around, our resources are there to sustain our northern Ontario industry and not Quebec's.

In conclusion, we believe that northern Ontario is one of the best places to live in Canada but we need strong, vibrant communities with a bright economic future. We believe that with the changes proposed we can keep what our forefathers have built and fought for so that future generations can prosper. Thank you for your time.

The Chair (Mr. Pat Hoy): And thank you. This round of questioning will go to the NDP, Mr. Bisson.

Mr. Gilles Bisson: Thank you very much, Guy, for coming before the committee. Certainly, your local has probably been one of the harder hit because of what's happened in the industry. Just to put a face to this thing, you've had to deal with a lot of members who have lost their jobs. Explain a little bit what happens to a family living in a community like Opasatika or Smooth Rock Falls when the mill closes down and there's no work available. What do they have to face as far as real estate prices? What kind of stories are you getting?

Mr. Guy Bourgoin: The stories we're getting are pretty sad. What do they do with their house? Their house is worth nothing, and some of them have had to return them back to the banks. Their kids can't play hockey, they can't do anything, because most of them are stuck with lost jobs and they're trying to survive. It's pretty sad to see some workers come into your office and say, "What can the union do?" We've tried to do a lot of stuff. We've made some concessions to workers. At some point, we went all the way to—concessions in some companies. But again, there was one player missing, and the government should have given us some cost-reduction prices, which could have saved some of these

jobs—at least keep it running so that we have a chance to look at other ways and different things we can do to keep these plants running. But once they're closed, they're closed, and then we cannot do it. These workers are in our office, crying and asking what we can do, but our hands are tied.

Mr. Gilles Bisson: Which brings me to the next question, which is the issue of what you do with the wood after the mill is closed. In the closures in Opatatika or in Smooth Rock Falls—the list you have here is long—what's happened is that the companies have held onto the wood and in some cases are cutting that wood and sending the raw logs into Quebec for cash. What are you saying to this government? What do we need to do in order to make sure that if the economy turns, which it will, these communities have a chance to survive? What would you do on wood allocation policy?

Mr. Guy Bourgouin: I say they should be tied to the communities and these sawmills. We had two mills—Excel was one of them and Kirkland Lake was one—and we had two potential buyers that could have kept these mills running, but Tembec did not want to sell their sawmills. They said, "The plant is for sale but the wood is not tied. We're keeping the wood." It's like buying a car without a motor. It's as simple as that. These jobs were lost. We had potential buyers; that we could not at least work together and keep these jobs—and they're good-paying jobs. We're talking up to \$24-an-hour jobs, and we couldn't have that opportunity because Tembec said, "No, we're selling the mills, but we're keeping the wood. And by the way, we're transferring it to a different sawmill." That's what's going on, and it's wrong.

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Mr. Gilles Bisson: My colleague has questions.

Mr. Michael Prue: Now, in terms of the transfer to Quebec, this was going on before some of the mills actually shut down?

Mr. Guy Bourgouin: Absolutely.

Mr. Michael Prue: Why were they transferring it to Quebec? Was it cheaper? Was it the electricity cost? Do they pay the workers less? Is it some kind of a company thing, to keep it—I need to understand that. Why was it going to Quebec before they shut down, and why is it going there now?

Mr. Guy Bourgouin: We're asking the same questions. Don't quote me on the numbers, but I think before these sawmills were closed, there were close to 200,000-something cubic metres being processed through these Quebec sawmills; now it's over 500,000. Why these companies can do it, we're trying to find that answer. Are they being subsidized by the Quebec government? We don't know. But it makes no sense to workers. In Kapuskasing, close to 30,000 or 50,000 cubic metres from one of my members who is laid off is going to be processed in Quebec. This is all blowdown that's been done. That's wood that the company didn't want, so they left it open. Now some people can come and bid and get that wood. It's right in our backyard. Why is it more cost-efficient for them to do it when it's in our backyard to do

it? That wood's going straight to Quebec, and our members are not working. It makes no sense. How are they doing it? I wish I had that answer, but we believe they are being subsidized some way, and we are trying to find that answer.

Mr. Michael Prue: We know that electricity costs less in Quebec. Could that be—

Mr. Guy Bourgouin: That's definitely one advantage, the difference between us.

Mr. Michael Prue: But it has to cost the diesel to take those trucks hundreds and hundreds of kilometres into Quebec, and it has to cost workers to transport it all. I fail to understand.

Mr. Guy Bourgouin: The rumour we heard is that apparently they are being subsidized for that, for the transportation. Is it true? We don't know. We're trying to find that out. But definitely it's the same cost for fuel as ours, and they can travel all this way. We are trying to find that answer, because we feel this is wrong.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

FEDERATION OF NORTHERN ONTARIO MUNICIPALITIES

The Chair (Mr. Pat Hoy): I call on the town of Kapuskasing to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Alan Spacek: Thank you, and good morning. My name is Alan Spacek and I'm the mayor of Kapuskasing, which is the model town of the north, but today I'm here on behalf of FONOM, the Federation of Northern Ontario Municipalities. My theme today will be a little bit more pan-northern as opposed to some of the individual communities that you may have heard from, but it will tend to encompass what has already been said here this morning.

I'd like to start off with an initiative that FONOM, the Federation of Northern Ontario Municipalities, had on October 17, this past fall, which was an economic leaders' summit. It was held, actually, here in the city of Timmins.

I should tell you that FONOM is an organization that is about half a century old and represents over 200 municipalities in northeastern Ontario. We have a sister organization in the northwestern part of the province called NOMA, the Northwestern Ontario Municipal Association. We tend to be the first point of contact when larger governments are looking for input and feedback.

As I previously mentioned to you, there was an economic summit that took place in Timmins in October. There, you had over 200 people who paid over \$200 of their own money, many of them from the private sector, to have a voice and have a say in what they felt was critical to sustaining and further developing northeastern Ontario. For that two-day summit, we had previously

determined that we would keep it quite focused so we didn't end up with some sort of large, thick, if you will, report that was not in layman's terms and wasn't really recognized as a tool that could be used. We kept it to six areas over those two days. We focused on natural resources; government services and the public sector; transportation; energy; health and education; and the final one, business and entrepreneurship. We had facilitators at those sessions, and from there we asked that they only come out with two main strategies. There were many good ideas and concepts brought forward, but again, trying to keep the document manageable, they were asked to keep it to two strategies, which are contained in the documentation you have in front of you today.

My main message today is that there were two underlying themes that came out from all of these summits. One was that we need to speak with a unified voice from northern Ontario so that you don't have special interest groups in varying areas of northern Ontario that are really diverting from the main issue or distracting the government in terms of addressing what we feel are the main issues. So we need to have a unified message and to speak with one voice, and the Federation of Northern Ontario Municipalities feels it's best positioned to take that role. We already have a relationship with our sister organization in northwestern Ontario, which, I might add, is a little bit further along than us, with the services of Dr. Robert Rosehart, in developing a strategy for themselves. We would like to work with them, develop synergies and commonalities, and be able to bring that to the government so that the policies can be formed to help us move forward.

All of this fits in with the northern Ontario growth plan. I believe the process has just started under the chair, Minister Gravelle, a very capable individual. We feel that consultation and participation by both the Northwestern Ontario Municipal Association and FONOM would be key to developing a document that will in fact move northern Ontario forward, and northerners can have a stake and take ownership in the fact that they were party to developing that process. In the last provincial budget, we were very much aware of where there were specific references made to the 905 growth plan. We feel that if that same model were used for the northern growth plan, in fact there would be a much higher likelihood of success.

The other comment I'd like to make is that some of my colleagues previously, Mayor Somer and Mayor Laughren from Timmins, have talked about what they feel is a good working relationship. I would suggest to you that I think it's unprecedented in northern Ontario. You have a mentality existing today where hundreds of kilometres apart, you have small and large urban centres that meet and talk on a regular basis. It's surprising, or maybe not surprising, how common our issues are. I think the environment is prime right now for the government to facilitate a process where northerners are ready to embrace possibly some wholesale change. But we fundamentally want to move northern Ontario forward and want to level the playing field, if you will.

That will be all I will talk about on the northern growth plan for the moment.

I'd also like to mention two other items to you. I'd like to compliment the government on its increase in funding for the Northern Ontario Heritage Fund Corp. That's an organization that's pan-northern and delivers good value for taxpayers in investments. I think it's touched every part of northern Ontario in assisting with both economic development and infrastructure maintenance. So my compliments for that.

Also, a comment on what you've heard previously with regard to the impact that energy has on economic development in northern Ontario: Our neighbours on both sides of us, the province of Manitoba and the province of Quebec, actively use energy pricing as an economic development tool. The reality is, unfortunately, that we don't have that luxury in northern Ontario today, but we do potentially have a tool that can help us level that playing field in transportation infrastructure, called the Ontario Northland Transportation Commission. Currently, the people of Ontario invest about \$15 million a year in maintaining that infrastructure. I would suggest that is low. I would suggest that the government could consider a higher level of investment and use transportation, which is the other high-cost component for industry in northern Ontario, to help level the playing field on a quicker basis than will ever happen, unfortunately, with energy pricing.

With that comment, I conclude my presentation to you. I'm sure I'm short of the 10 minutes. Maybe you can pick up your schedule a bit. I'd like to thank the committee again for the opportunity to speak with you this morning, and I'd be happy to answer any questions.

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning will go to the government.

Mr. Wayne Arthurs: Your Worship, thank you for being here on behalf of FONOM. We appreciate the inputs we've had this morning, particularly the municipal inputs representing the broader community interests in many ways—the challenges that Smooth Rock Falls is facing, and the mayor of Timmins and yourself on a broader perspective. I'm particularly pleased, as a former municipal guy here, about the efforts that are being made to speak with one voice to the extent that is possible, recognizing that there are obviously individual interests that need windows of opportunity as well.

It appears that the two-day economic summit that was held here in October was a very successful initiative from the standpoint of collaboratively bringing as many distinct voices to the table as possible and trying to focus things down on the achievable, as opposed to the laundry list that one often sees.

Within that context, when I was looking at the submission briefly, one of the items you referenced was opportunities in port development. Can you speak just a little bit more to the issues of port development, which is not one we would traditionally be hearing—at least, we haven't to this point traditionally heard as much in our

tour. We may hear it in Thunder Bay, but we wouldn't have necessarily heard it here.

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Mr. Alan Spacek: It's a little unique, but it leads right to the last point I talked to you about, which was the Ontario Northland Transportation Commission. In that particular concept, it was around the context of Moosonee, being in James Bay. You may be aware that the province of Manitoba has developed a deep-sea port in Churchill, which is now being commercially used by traffic from Russia, and we feel that we're well positioned to take advantage of that same concept. We have a rail line that runs right to what potentially could be the port area of Moosonee, coming from the Trans-Canada Highway. That was what they were talking about there.

Mr. Wayne Arthurs: One of the initiatives that, over the past four years, has been undertaken and has been of assistance to many municipalities but not all, was the gas tax implementation. I know there are differences of opinion as to whether or not that should be extended into transportation as opposed to just transit. Any comments on how best those dollars can be used?

Mr. Alan Spacek: Certainly. The gas tax portion for Kapuskasing amounts to about \$43,000. For a community our size, that's certainly very much appreciated. We don't have a public transportation system in our community. Flexibility to use that for infrastructure and increasing the amount of it with possibly a formula recognizing smaller demographics that the smaller communities have would be very much appreciated.

Mr. Wayne Arthurs: Do you think you'll take advantage of the \$300-million in-year funding for municipalities that's just been announced? Are you in a position, with shelf-ready projects, to be able to apply? Do you think your peers in the north will also be looking at that as an opportunity? I know the mayor of Timmins certainly mentioned that they had some things that they wanted to present on.

Mr. Alan Spacek: The short answer is yes, we have a shelf-ready project that we'll be submitting. Unfortunately, it wouldn't have been our first choice, if there was some prior knowledge to it. Although we have decided that what it has done for us as a community is that we need to get more shelf-ready projects available. There is a substantial cost to that; that's hundreds of thousands of dollars for our community. I can say that on behalf of our smaller neighbours around us, they don't have the luxury of some of the shelf-ready projects that they were hoping they'd be able to use to take advantage of this program.

Mr. Wayne Arthurs: And that's one of the challenges when you find yourself in a situation where you have some additional in-year dollars that you want to use with your municipal partners effectively. The need is to have things ready to go. It was always a challenge as mayor when I was in the municipal sector to have things sitting there in the event the opportunity presented itself.

Mr. Alan Spacek: Yes.

Mr. Wayne Arthurs: Thank you for being here and thank you for the presentation this morning. We look

forward to continuing the opportunity to work with municipalities in FONOM during the coming four years.

Mr. Alan Spacek: Thank you very much.

The Chair (Mr. Pat Hoy): And thank you.

TOWNSHIP OF OPASATIKA

The Chair (Mr. Pat Hoy): Now I call on the township of Opasatika. Good morning. You have 10 minutes for your presentation. There could be five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Denis Dorval: I'm Denis Dorval, the clerk-treasurer for the township of Opasatika. Before I start, I just want to let you know that I've got a little pamphlet of my little town. Just look at it, and if you like fishing and hunting as I do, you're probably going to come and visit me.

Interjection.

Mr. Denis Dorval: Yes, sir.

Today, I would like to speak about four main subjects: the DSSAB contribution of the municipality; the OMPF, the Ontario municipal partnership fund; I would also like to speak about economies of scale, just to explain to you how economies of scale can affect some municipalities; and I will speak a little bit about fairness. Fairness is similar to the formula, and you will see that some formulas are not really fair.

In 1998, the DSSAB was formed to deliver social services for municipalities. This was guided by the LSR, local services realignment. The weighted assessment formula was proposed and adopted on the foundation that the weighted assessment represented the ability to pay in the Cochrane district. But the ability to pay depends on many factors. For example, the economy of scale should be considered. Different social service boards in the province use different formulas. For example, some use per capita or per household, some use per case load and some use weighted assessment. What seems fair to me is the per capita basis because the more people you are, the more services you need. I was going to say that that is common sense. Do you know what I mean by "common sense"?

In 1998, many grants were cut in Ontario. The CRF, community reinvestment fund, stayed as an unconditional grant to help municipalities with all the downloading created by the local service realignment.

In 2004, the CRF was replaced by the OMPF, the Ontario municipal partnership fund. The calculation of the OMPF is based mostly on the per capita basis or per household, therefore creating a problem for 11% of the municipalities in Ontario. A municipality like Opasatika has seen its social service costs steadily increase and revenues decrease. Also, most of the other revenues for the municipality are calculated on a per capita or per household basis. For example, the province often taxes federal gas funds, library grants etc. It seems to me we are always punished because we're small, but we pay big for services.

Now I'll just talk a little bit about fairness and the formula, page 2 of my presentation, and I've got some supporting documents in there. We've made a few calculations. Just to give you some examples, the municipality of Opasatika pays \$474 per capita for the CDSSAB—that's social services—but the average for CDSSAB is \$272. Opasatika pays over \$1,000 per household for the CDSSAB, compared to the average, which is \$613. Opasatika pays \$41,000 for social housing and has none.

Now I'll talk a little bit about the economy of scale. As you'll see in my pamphlet, we're only 300 people living in Opasatika. We're proud, and everybody thinks we're a bunch of fighters because, it seems to me, that when you're small, you have to fight to live. I want to make just a few points about the economy of scale. A small municipality like mine is very affected by that. Just to give you a few examples, I'm going to talk about the water, because water is another thing that has been downloaded from the province.

I took two municipalities, one representing 300 persons, like mine, and the other one representing 1,000. For water—OCWA—it's the same cost. For insurance, we've got the same infrastructure—we have a grader, garbage truck, backhoe—so we pay the same for insurance. Fire department: We offer the same service so we pay the same costs, but we don't have the same revenue.

Under the OMPF, the household counts have been added into the formula. Municipalities under the average costs: Households for CDSSAB receive more grants because they seem to have lower assessments. Just to give you an example, and if you look at the OMPF sheet, they seem to say that households in Opasatika are worth \$272,000, something like that, and believe me, that's not the case. The market price is maybe around \$30,000. I don't know how they calculated that.

Also, when we pay the CDSSAB, there are a lot of factors that are not included in the formula. They just take the weighted assessment—that's the CVA, current value assessment—multiplied by the ratio. They don't take the rate into consideration. Also, they don't take all the rebates that we have to give. For example, in 2005 in Opasatika we had a mill closure. About 7% of our tax base was based on that mill. Since then, it's a vacant industry, so I have to give a 35% rebate on their taxes, but I pay full price to the CDSSAB. All of those rebates are not considered in the calculation.

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Just to conclude, you'll see I attached some papers. Northern Lights is a study that was done by the Northern Ontario Large Urban Mayors. They seem to see things the way I do. It seems that the provincial downloading, or the local service realignment, was based on revenue-neutrality, but the OMPF program abandoned the principle of revenue neutrality. Because I sit with my neighbours in other municipalities—all the municipalities from CDSSAB sit together—I realize that all municipalities have different issues. My goal is not to reduce the grants of the 89% that receive more grant money because

most of them need that money; it's to help the 11% who received stable revenues since 2004 and had to face the same cost increase. This problem was created in 1998 when local service realignment became effective. The grant structure has to be reviewed to achieve the main objective: fairness.

My recommendation is that the province should establish a threshold similar to what we used to have for policing services. For example, when a municipality pays more per capita than the average cost, it should be reimbursed by the province with an equalization grant for social services or a special circumstances fund.

I'll explain a little bit about my supporting document. I have a letter here from CDSSAB speaking in the name of NEOMA. I'm just going to read to you from the last paragraph there:

"The members of the Northeastern Ontario Municipal Association hereby request that the province consider these specific circumstances and create a funding mechanism so that the impact of changes in local economies is not borne directly by other municipal economies, but rather would be addressed by the provincial government." So, in a way they support me.

I also included a letter that I sent to the CEO of CDSSAB in 2002, just to let you know that I've been trying to fight that problem. It's going to be the 10th anniversary next year, because it started in 1998 and we're in 2008.

I also attached a brochure from other municipalities that complain about the formula. You've got all the calculations of the formula on the other pages. On page 9, there's the calculation for municipal cost apportionment, and I've got another column. There are five municipalities out of 12 that have had no revenue increase since 2004, but the CDSSAB increased. It all explains how CDSSAB works. Twenty-eight per cent of the pie, of the municipal levy distribution of CDSSAB, is social housing; we don't have any in Opasatika. I also have a few sheets explaining about the request for reconsideration, that rebate that I gave back to the industry. I also put a sheet explaining how the Ontario municipal partnership fund is calculated.

It just caught my eye last night; I was just looking at that before I came here. Like you see, I'm a Frenchman, and I was a little bit nervous to do the presentation in English, but I said I would review it and maybe do better. I wrote for some time on my computer, laughing out loud when I saw that. Holy smoke. If you go to Northern Lights, from the Northern Ontario Large Urban Mayors, they are complaining. They say here, "In Ontario more than 25% of municipal property taxes pay for health and social services," and they continue, saying, "while in the remaining provinces in Canada, the average is 1.2%." Can you imagine? They're complaining about 25%. We pay 42% in Opasatika—42% of my municipal tax levy goes towards social services. Is it common sense? I don't think so.

To finish, just to let you know that we're small, but I think the big ones are behind us because the Northern

Ontario Large Urban Mayors' paper here, Northern Lights, the first solution they put here is to "develop a program to close the provincial-municipal fiscal gap and reduce the negative impact of downloaded social service and health care costs on municipalities." So I think we all agree at the different levels. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will go to the official opposition.

Mr. Ted Arnott: Merci beaucoup, M. Dorval. Your presentation was excellent, and the advice that you've given us. I think you've spoken on behalf, I'm sure, of a lot of small northern Ontario municipalities. Most of the members of this committee, as I'm sure you know, are from southern Ontario, with the exception of M. Bisson. It is very interesting to hear the views of your community, and you've expressed them extremely well. Please accept our best wishes to your council as well for the work that they do on behalf of the community of—

Mr. Denis Dorval: It's hard to pronounce. Opatatika.

Mr. Ted Arnott: I'm looking at the map. You're just to the west of Kapuskasing.

Mr. Denis Dorval: I'm 22 miles west of Kapuskasing and 38 miles east of Hearst.

Mr. Ted Arnott: Right before the election, the government, in an attempt to address some of the concerns that were being expressed by municipalities about the existing provincial-municipal relationship, announced a study of that relationship. Most recently, the Minister of Municipal Affairs, Jim Watson, announced in the Legislature that that report would come back in the spring.

Mr. Denis Dorval: Are you talking about the municipal-provincial review?

Mr. Ted Arnott: Right—on the roles and relationships and the various functions of municipalities with respect to the provincial government. Was your municipality consulted on that issue?

Mr. Denis Dorval: I met with the Minister of Finance, Greg Sorbara's, office, and they told me that that's going to be in the municipal-provincial review. At Municipal Affairs, I met with Lynn Buckham, and she told me that was going to be in the municipal review. I also talked with my neighbour, and Joe from Timmins told me that he's going to make sure that will be brought to the municipal-provincial review board.

Mr. Ted Arnott: So do you feel you were adequately consulted in terms of having a chance to express these issues to the minister in the context of the review?

Mr. Denis Dorval: You can go on the Internet and make a recommendation to that municipal review board. That's what I did. But it seemed to me that it takes time.

Mr. Ted Arnott: You mentioned the issue of the cost of fire services. I assume you have a volunteer fire department in your municipality.

Mr. Denis Dorval: Yes.

Mr. Ted Arnott: It's my understanding that there's a huge issue with respect to fire service in Kapuskasing, that the council would like to have the opportunity to have a volunteer fire department to make it more cost-

effective, yet they're stuck with some sort of a contractual stipulation that they can't resolve.

Mr. Denis Dorval: That's a different problem. There used to be more than 10,000 in population, and now they are lower, so their position changed. I don't have a problem.

Mr. Ted Arnott: Yet I'm told that the residents of Kapuskasing pay 10 times the amount for fire service as the residents of Hearst—comparable municipalities; almost the same size.

Mr. Denis Dorval: Maybe. I didn't compare with Hearst and Kapuskasing. I compared with all the other small municipalities, and we almost pay all the same. One thing that I can say is that I can congratulate that they gave a grant for the fire department, and that was fair. I think they gave \$50,000 to everybody; all the same. They didn't count how many you are.

Mr. Ted Arnott: So your municipality received some money for fire services through a fire service grant a couple of years ago?

Mr. Denis Dorval: Yes, in 2003, 2004, whatever.

Mr. Ted Arnott: Do you think that should be a permanent, ongoing program to assist small municipalities in the north with their fire service needs? Of course, it was just a one-time grant. It was \$30 million across the province, and Toronto got a lot of the money too.

Mr. Denis Dorval: Yes. That was great because we had to renew all the equipment. It's so hard for a small municipality like mine to follow all the legislation. You've got a small budget, you try to do your best, but you have to meet all that legislation. I'm a good guy; everybody loves me in my small municipality, but if I don't stop increasing the taxes, they're going to crucify me. I don't have a choice. It's too bad.

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Mr. Ted Arnott: I appreciate your comments and your answers. Thank you.

Mr. Tim Hudak: Is there any time?

The Chair (Mr. Pat Hoy): You have a minute.

Mr. Tim Hudak: Denis, it's good to see you again. An excellent presentation, as always. I want to go back to your comments on the DSSAB apportionment of weighted assessment. Opatatika is about how many people?

Mr. Denis Dorval: Three hundred people. The thing is, Tim, we got a big assessment because 80% of my revenue from taxes comes from the pipeline.

Mr. Tim Hudak: Yes, okay, exactly, which simply runs through the community, but puts you in a difficult situation.

Mr. Denis Dorval: But when I'm talking about economies of scale—we are 300 people. In Opatatika there are 113 residents on the water system. It costs us the same thing as, for example, my neighbour, Val Rita, and there are maybe 400 on the system. So we have to divide the cost by 100 instead of 400.

Mr. Tim Hudak: So basically, you'd suggest that as we're coming up to the 10-year anniversary of the crea-

tion of the DSSABs, it would be a good time to review the apportionment mechanism that's used and you'd support—

Mr. Denis Dorval: That's not exactly what I suggest. What I suggest is that you should have a threshold. But see, it's common sense. It's per capita. The more people you have, the more services you're going to need. So we should be billed per capita. Establish a formula of some kind; make a threshold. I'll pay more. Give it back to me on my OMPF, like they used to do with the policing. It's simple.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ELEMENTARY TEACHERS'
FEDERATION OF ONTARIO—ONTARIO
NORTH EAST LOCAL

The Chair (Mr. Pat Hoy): I call on the Elementary Teachers' Federation of Ontario—Ontario North East Local to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Lorri Spaans: Good morning. My name is Lorri Spaans. I'm the president of the Elementary Teachers' Federation—Ontario North East Local.

Ms. Barbara Burkett: I'm Barbara Burkett. I'm actually now a vice-president provincially with the Elementary Teachers' Federation of Ontario, but I'm a past president of this local and a long-time teacher in Ontario in the northeast. I travelled to be with Lorri for this presentation.

Ms. Lorri Spaans: The Elementary Teachers' Federation of Ontario, ETFO, Ontario North East Local, stretching from Temagami to Hearst, represents approximately 370 elementary teachers. My name is Lorri Spaans and I am president of the local. I welcome the opportunity to participate in this pre-budget consultation. The focus will be to explain the concerns that ETFO has regarding the gap in funding provided for elementary students and its impact on the education system.

We are confident that this government shares the goal of trying to ensure education is funded to provide a high-quality education for all Ontario students. The funding cuts imposed by the previous Conservative government resulted in serious program losses and represented a major setback for public education. Since the Liberals first took office in 2003, education funding has seen a significant increase of over 17%, taking enrolment and inflation into account. We applaud this government for making the rebuilding of public education a key priority. While progress has been made, ETFO remains concerned that the funding provided for elementary students is significantly less than what is provided for secondary students. This gap in funding is not defensible and creates a two-tiered education system.

The Elementary Teachers' Federation of Ontario supports high-quality, properly funded services for our secondary students. They are our future and they deserve the very best, but we also understand that younger students, those from junior kindergarten through grade 8, deserve the very best as well.

ETFO's primary concern is with the gap in funding between elementary and secondary students. From the beginning, the student-focused funding formula has placed a higher value on secondary students than elementary students. We believe this funding inequity is a barrier to ensuring all elementary students receive the high-quality, well-rounded education they need to be successful, lifelong learners.

Based on calculations provided by the Ministry of Education, we know that the gap in funding in 2007-08 is \$711. We acknowledge the 46% reduction of this gap from \$1,318 in 2003-04; however, a gap of \$711 is still significant and unacceptable. Given the elementary enrolment in our school board of approximately 4,354 students, the \$711 per pupil gap in funding translates into almost \$3.1 million that elementary education is being short-changed in our area. To put this into perspective, each classroom of 24.5 elementary students is being short-changed by over \$17,000; each elementary school of 200 students is being short-changed by almost \$150,000.

This means fewer resources in elementary classrooms, fewer specialist teachers for elementary students and less preparation for elementary teachers. We believe the government will not achieve its goals of improving students' levels of academic achievement and reducing the high school dropout rate if it fails to address the underfunding of elementary education.

Most of the line item differences in the foundation grant are inexplicable. Why is staff development per elementary student \$1 less than per secondary student? That small difference deprives elementary education of \$1.25 million. Why are textbooks and learning materials funded at \$27 more per secondary student than elementary student? This gap totals almost \$34 million not available for elementary resources. Why are classroom supplies funded at \$105 more for a secondary student than for an elementary student? This is a loss of \$131 million for elementary classroom supplies. Why are classroom consultants funded at \$6 less per elementary student than per secondary student—a loss of \$7.5 million? In our area, support from consultants is not even available. Why are classroom computers funded at \$14 less per elementary student than per secondary student—a loss of \$17.5 million?

In its election platform, the Liberal Party made a commitment to continue to work to close this gap in funding. Specifically, the platform promised to create a \$150-million fund to assist students in grades 4 to 8. This acknowledges that the gap in funding is problematic and is an important first step in reducing the gap. ETFO looks forward to this new funding and to working with this government to ensure it is put in place quickly and

effectively. ETFO looks forward to a longer-term plan that will address the overall discrepancy in elementary funding.

Funding on a per pupil basis poses some challenges, especially in times of declining enrolment. Over all public district school boards, elementary enrolments have declined by 2.5% in the past two years. This decline is much higher in our school board. At this time, the line items included in the school date foundation grant are limited to the principal, vice-principal, secretary and school office supplies. Other costs directly related to the operation of a school should be included within this grant and allocated on the basis of the number of schools in a district school board rather than the number of students.

Specifically, each school should have a full-time librarian. In spite of the government's current focus on literacy, few elementary schools are staffed with a full-time teacher-librarian. Currently, an elementary school must have over 750 students to qualify for funding for a teacher-librarian. Such a school doesn't exist in our board. How is this equitable to our students?

One guidance teacher is only provided for 5,000 elementary students. For our board, that means no guidance teachers for even the grade 7 and 8 students, who are in much need of support to make choices for secondary school.

The government has made a commitment to phasing in full-day junior and senior kindergarten programs beginning in 2009-10. This is a very positive move and one that recognizes the extensive research that supports learning for the early years. ETFO believes that these programs, provided by qualified teachers, will ensure all students receive the foundation they need for successful, lifelong learning.

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In our board, full-time junior and senior kindergarten has been a reality since 2001. These classes have been successfully taught by qualified teachers. The commitment for the government to fund these programs will greatly assist our board in providing the resources needed to continue the success with these programs.

Some school boards are closing elementary schools and transferring the grades 7 and 8 students to secondary schools. This has happened in our board and it has not been an easy transition for our teachers or the students. As elementary teachers, we believe this is an ill-conceived idea. Educational research indicates that young adolescents do better in elementary schools. They are able to be leaders and develop these skills with their younger elementary schoolmates. Elementary schools provide a heightened level of adult supervision before and after school, at lunchtime and recesses. Elementary schools provide more opportunities for involvement in school sports and activities. Elementary schools are smaller and more connected to students' families and the community.

Before this funding formula was introduced, school boards were able to increase the property taxes to support education. While we recognize that some boards were in

a better position to do this, it did enable local communities to determine priorities based on their needs.

Beginning in 2001-02, a local priorities amount was added to the foundation grant. It was eliminated last year. Funding of local priorities needs to be re-established to ensure that schools can respond to local needs.

We make the following recommendations:

- that the gap in funding between elementary and secondary students be eliminated;

- that the primary class size funding be folded into the foundation grant;

- that the lines in the foundation grant for staff development, textbooks and learning materials, classroom supplies, classroom computers and classroom consultants be no less for elementary than for secondary students;

- that the school foundation grant be modified to fund one full-time librarian for each elementary school;

- that the school foundation grant be modified to fund a minimum of one full-time guidance teacher for each elementary school;

- that design and technology courses for grades 7 and 8 be re-established;

- that a local priorities amount be re-established in the foundation grant.

In addition, we strongly recommend that the funding formula be modified to ensure that no board receives less money in real terms, adjusted for inflation and enrolment, in any year than they received in the previous year. Sufficient funding is needed for all school boards, for all students.

The goal of achieving higher student achievement in literacy and numeracy requires that the funding provided to school boards be predictable and stable and adequate to support the learning needs of all students. Given the recognition that success in the later years of a student's schooling is based on a solid foundation in the beginning years, the current gap in funding between an elementary student and a secondary student does a tremendous disservice to Ontario's elementary students. In short, the funding gap makes it harder for teachers to help children achieve the kind of success they deserve. It's time to close the gap.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP, Mr. Prue.

Mr. Michael Prue: I don't think anyone can disagree with any of your recommendations. I think it's all solidly based. What I'm worried about, and perhaps you can answer this, is that the government is committed to starting the new funding for junior and senior kindergarten in 2009-10, which is going to cost hundreds and hundreds of millions of dollars. I don't know where they can get the money for that and for what you're requesting. I guess the really tough question to you is, if they can only afford to go one route or the other—and I'm afraid that's going to happen—is it better to do what you are advocating and scrap for the time being the kindergarten program, or is it better to go with the kindergarten

program and leave you without these funds? It's a toughie.

Ms. Lorri Spaans: It is a tough one. Help me with that, Barb.

Ms. Barbara Burkett: Certainly our role here is just to bring to you our best recommendations and to hope that the government that has been formed to represent communities across Ontario can take from our recommendations and guidance that we offer and formulate best decisions on behalf of all citizens in Ontario. Clearly we are totally behind enhancing early learning, and ETFO has had long-time support with the Ontario Coalition for Better Child Care. We do insist very strongly that instruction and evaluation be carried out by certified teachers. We are not in any way opposed to including early childhood education workers as part of a team, but where instruction and evaluation takes place, qualified teachers need to be there.

We've also had long term support for the Best Start model, and hopefully that can be rolled out as part of the government's commitment to early child care.

Mr. Gilles Bisson: The other thing that you touched on was the issue of declining enrolment. In a lot of our communities, because of what's happening in the forestry sector, there has been an out-migration of people, with families moving out of the communities, leaving schools having to try to operate with less. You make the point, and I think it's well made, that as you lose your students, you lose the funding. So your recommendations are, what, that we need some sort of a floor? A funding mechanism in order to allow the schools to stay open? So what's your recommendation is the first question. The second question: Are you fearful of any of these schools being in a position of having to close in the next little while?

Ms. Lorri Spaans: Definitely that is a fear and a reality. Currently, in our school board, there were two schools that were under accommodation review. One of the accommodation reviews was recently cancelled, but there is still one school that's under review, and declining enrolment is a big, big concern in our area.

Would you like to add anything?

Ms. Barbara Burkett: Other recommendations that come with this presentation to you ask the government to focus on sustainable funding per school, rather than linked to the student body, and extending that beyond the principal and the secretary to some key individuals like guidance counsellors and librarians that would, yes, form some core funding per school.

Mr. Gilles Bisson: It's a huge issue in small communities, because what will end up happening is that when the school closes, parents then will choose not to live in that community. For example, if you're living in community X and 20 miles down the road there's a larger community that has schools available, families, given the opportunity, are going to move. So what it does is precipitate the fall of the community, so the community school is actually one of the things that you need to keep in place in order to keep young families in those com-

munities. I know across the riding, we've managed to keep a couple of our schools open, Opasatika and a few others. But where they've closed, we're starting to see that out-migration.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

TIMMINS AND DISTRICT HOSPITAL

The Chair (Mr. Pat Hoy): Now I call on the Timmins and District Hospital to come forward. You have 10 minutes for your presentation. There may be 5 minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Allan Kean: My name is Allan Kean. I'm the chair of the board of the Timmins and District Hospital.

Mr. Esko Vainio: My name is Esko Vainio. I'm the president and CEO of the hospital.

Mr. Jean-Paul Aubé: My name is Jean-Paul Aubé, chairman of network 13.

Mr. Tom Laughren: Tom Laughren, mayor of the city of Timmins.

Mr. Allan Kean: Good morning, Mr. Chair and committee members. We are pleased to be here today to make our presentation to you on a critical matter that is daily impacting many citizens in our referral hospital's service area. We ask that your committee convey our only request back to Queen's Park for consideration.

The Timmins and District Hospital is a teaching and referral hospital serving the primary care needs of Timmins residents and the specialized health care needs of people living in Cochrane district and adjoining areas of the Timiskaming, Sudbury and Algoma districts. We belong to the network 13 health care alliance, which originated with the Health Services Restructuring Commission's work 10 years ago. The network is the most active in the province and has resulted in many successful institutional partnerships and collaborative joint ventures in our catchment area. We also work very well with the new North East LHIN based in North Bay as well as with the city of Timmins. We are affiliated with the Northern Ontario School of Medicine, and host teaching of medical students and medical residents.

Our hospital has a health care team composed of approximately 1,200 people, which includes our staff, physicians and volunteers. Our annual budget is \$84 million, and we serve a referral population in excess of 100,000 people. We go north to the James and Hudson Bay coast, south to Temiskaming Shores, west to Hornepayne and Wawa, and east to the Quebec border.

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Mr. Esko Vainio: In 2004, the health care community in the city of Timmins identified the need for 64 additional long-term-care beds to meet the community's current and future demand. This need was determined after our hospital was forced to mobilize all of our internal and external resources to deal with a bed shortage crisis, resulting in the hospital having no available

acute, medical, surgical or ICU in-patient beds for further patient admissions for our catchment area. In addition, ER treatment stretchers were filled with admitted patients, and patient care in our ER was very challenging.

This all resulted in many situations of angst for patients, their families, our staff and our referring hospitals in dealing with a crisis situation that lasted for many weeks. Some of that involved trying to move some of our alternate-level-care patients—patients that should be in nursing homes—out into nursing homes in the district. That was replete with a lot of problems because of the difficulties of those patients and their families to travel, in some cases many hours, to those facilities, and they did not have connections to those communities. So that really put a lot of stress on the hospital and it was very much a public concern.

Three and a half years later, the Timmins and District Hospital continues to struggle to deal with the high number of alternate-level-care cases. The hospital has at times had more than 40% of the total bed complement occupied by patients requiring an alternate-level-care service. Most of these require placement in a long-term-care home, and a long-term-care home used to be called a nursing home. Our emergency stretchers again are filled with admitted patients waiting for hospital beds, and patient care in the ER is affected.

Attached at the back of the report that we've submitted today is a November 2007 Ontario Hospital Association alternate-level-care survey of hospitals, and it indicates that the provincial average of alternate-level-care patients occupying acute care beds was 18%, while in northeastern Ontario it was 30%, and obviously extremely high in our facility. We believe from the information that we're the outlier in all of Ontario as far as percentage of beds occupied by alternate-level-care patients, who would most likely be best suited in a nursing home or long-term-care setting.

A lot of work has been done by our community since June 2004 to address the ongoing needs of our seniors. In that year, at the request of network 13, the district health council undertook a study to assess the pressures along the long-term-care continuum. Based on this study, the community then developed a five-point action plan. It stressed the need for district homemaking service; supportive housing; coordination centres for geriatric and palliative care populations—palliative care, again, being care for those people who are terminally ill; designating 20 in-patient rehab beds at our hospital; and allocating interim and permanent long-term-care-home beds.

In 2005, the Ministry of Health and Long-Term Care planning and renewal branch initiated another study, the 2005 long-term-care local area planning process, to guide the realignment of the long-term-care continuum. The goal of this exercise was to ensure that the supply matched local demand for services and identified areas where demand for a long-term-care bed was high because of gaps in other long-term-care community-based services. Our hospital contributed to data collection and subsequent analysis. We were waiting for the results, but

unfortunately, that report and its findings were never released. We hoped at that time that it would help us resolve our situation in our community. Again, what happens in Timmins affects all those communities in our catchment area because they can't bring their sick patients into our hospital, and they have difficulty moving those sick patients to other hospitals elsewhere in the province.

In 2006, there was an update of the district health council's 2004 study to ensure that the five-point action plan remained relevant. The importance of enhancing the long-term-care complement remained at the core of the five-point action plan, and, consequently, efforts to advocate for ministry approval of 64 new long-term-care beds was reignited.

In January 2007, we met with Health Minister Smitherman, with Gilles Bisson's assistance. The mayor was there and our hospital was represented, trying to see what could be done to address this issue. When the minister was here in August, we raised the issue again. He has recognized that our community's strategy was in line with the province's overall vision for the long-term-care system. The minister has encouraged us in the community to work with the North East LHIN on these issues.

That same year, local health care providers came together on yet another planning exercise, the Timmins Alternate Level of Care Task Force, under the leadership of the North East LHIN, to develop a profile of alternate level-of-care patients locally and to look at a whole bunch of issues involving causes and trends and to provide recommendations. This task force identified a series of strategies that would reduce systemic pressures; among these strategies was the need to increase the long-term-care bed complement in the city of Timmins. Other strategies were supportive housing, a risk-screening tool for seniors, supporting independent activities of daily living for seniors at risk, and integration and coordination of non-emergency patient transportation services. In the fall of last year, the Cochrane District CEO Roundtable, under the North East LHIN, reviewed the recommendations of this ALC task force, agreed that the long-term-care beds were a priority for Cochrane district and recommended the inclusion of this priority within the North East LHIN's annual service plan.

While respectful of the need to plan, we would like to draw everyone's attention to the fact that our hospital and community have been leading or engaged in numerous planning processes over the years and feel that progress is being hindered by the ongoing analysis of the problem, an analysis which has consistently revealed that our community is in need of long-term-care beds, along with other key supportive community-based services.

It has been almost four years since the initial crisis. It is time to move away from crisis management and implement a comprehensive and proactive plan that ensures that our community can meet the current and future needs of seniors.

The province and the North East LHIN have provided considerable financial support for a number of important

initiatives for which the hospital and community are grateful. Funding received under the aging-at-home strategy will allow the development of wraparound community-based services for seniors and the establishment of a supportive housing model, projects which will enable our elderly to age in place and avoid or delay entry into a long-term-care home. Funding has also been received to do a hospice feasibility study. Funding, however, is insufficient to address the operating and capital needs associated with the construction of long-term-care beds.

Our hospital volunteered to be the representative northeastern Ontario referral hospital—the other referral hospitals in the northeast are Sudbury, Sault Ste. Marie and North Bay—to implement the Flo Collaborative, designed to be a quality improvement project targeting processes-of-care issues for seniors in hospital. While the aim of the collaborative is to improve patient transitions from acute-care hospitals to subsequent home care destinations for all patients, particularly ALC patients, it is recognized that process improvement cannot generate anticipated results if complementary strategies needed to address capacity issues in the system are lacking.

Collectively, these initiatives will begin to shift the provision of care from institutions to the community. They do not, however, replace the need for long-term-care beds.

Since the crisis of 2004, demand for long-term-care beds has continued to increase despite the addition of 21 interim long-term-care beds in the system. Some of those, of course, are at our hospital.

Long-term-care beds across Cochrane district continue to be fully occupied. Community care access centre statistical data reveal that the Cochrane district experienced a 45% increase in its caseload and a 78% increase in its monthly wait-list over the past five years. The case mix data indicates that the level of care for these residents has increased year by year. The residents in these homes are at or above the provincial average, which indicates that they would not be appropriately cared for outside of an institutional setting. Again, that's reinforcing our concern.

The Chair (Mr. Pat Hoy): You have about a minute left.

Mr. Esko Vainio: Okay.

One of the issues here, of course, is that there are no nursing home beds in our district for transferring these patients.

I'll turn it over to Allan.

Mr. Allan Kean: We have included some supportive socio-demographic information in our written report and will not speak to it now in the interest of time.

There are a number of significant local opportunities which make it imperative for us to move ahead with the addition of long-term-care beds. I'll talk about two of them.

First, the city is willing to provide its fair share of the capital and operating expenses of expanding the number of long-term-care beds at the Golden Manor. This is at a

time when most municipalities are no longer interested in subsidizing long-term-care homes. This speaks to the collaborative nature; we recognize it as a community problem and we want to come together as a community to solve it.

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The second is that Extendicare Timmins, which is a privately owned nursing home, may need to relocate due to mining activity, which would result in the construction of a new home. If the relocation is deemed feasible, then adding to their existing bed complement may be a financially feasible means of expanding the long-term-care beds in Timmins.

A recommendation: The supply of permanent long-term-care beds within the city of Timmins must be increased by approximately 64. The addition of long-term-care beds is one of the overall strategies to realign the local long-term-care continuum. Esko has spoken to the other things that we're also doing.

The proposed realignment strategy recognizes the importance of investing in community-based supportive services as a means of delaying institutionalization. It also stresses that the supply of long-term-care beds must reflect actual demand, both present and future demand, which is anticipated to increase with an aging population.

The community requires a proactive plan. It is time to move away from crisis management. We respectfully ask that you take our recommendation back to Queen's Park and thank you for listening to our presentation.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government. Mr. Dickson.

Mr. Joe Dickson: Gentlemen, excellent presentation. We have reason—certainly, I have reason to share some of your concerns. We've been through much of what you are going through now. I reference my colleague two seats down from me. Wayne Arthurs and myself have both come off of about 20 years of municipal experience each, and the last major hurdle that we have been working on has been the expansion of the Ajax and Pickering General Hospital. There have been a couple of small ones in between, but we've been waiting close to 20 years.

Certainly, there's been a new philosophy with the Premier and with Minister Smitherman as to funding health care in Ontario. We went about 10 years with little or nothing happening. In Ajax, three weeks after the election, they've turned the sod for a 150,000-square-foot expansion which will run in the neighbourhood of some \$100 million. But then again, we waited 20 years for that. I think that the Premier and the Minister of Health have set the direction that health care is indeed one of our focuses.

I share that sympathy with you, working in the community as a volunteer, because I know what you're going through. I think that there's a lot of that, and I think it's in the process of being taken care of over the long term. After the long deficit, it's very difficult to right the wrongs that have been done in the past. There's a million things we can talk about—the new doctors, the new

nurses. I know that there's the first medical school here in a couple of decades in the north; I believe it was Thunder Bay and Sudbury. So those things are evolving now.

My question to you would be, all the processes that you've gone through—do you know where you stand pretty much in the loop? Are you in a position now to perhaps contact the Minister of Health again through his office and see if he would entertain your visitation to him?

Mr. Tom Laughren: If I could answer that, we met with Minister Smitherman last August. The two times that we have met with him, he's been very supportive, but he has directed us through the North East LHIN. We have made a presentation to their board, and they too were very receptive. I believe that they have a plan that's coming out over the next couple of months.

I think Esko said it well. We understand the need for planning, but this is an issue that's been very paramount in our community for a long period of time. At the Golden Manor, if I can give you an example, we have a waiting list of 200 people for a 180-bed facility. We just had an independent living facility close in this community; we ended up sending 30 people to Sudbury because we have no places here. This is an important issue and that's why I'm sitting here today.

Mr. Esko Vainio: And if I can add to that, we're trying to organize a meeting toward the end of February with the health minister in Toronto, if we can.

Mr. Joe Dickson: I certainly think that's the direction to go in. What I hear is—again, I sympathize with you. We've been through it and I think your resolve may be meeting with the minister one more time. So thank you very much for a great presentation. It's well done and I'm pleased to see you here this morning.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO SCHOOL BUS ASSOCIATION

The Chair (Mr. Pat Hoy): Would the Ontario School Bus Association come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation and there could be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording.

Mr. Patrick Dwyer: Good morning. My name is Patrick Dwyer.

Mr. Ron Malette: And my name is Ron Malette. I'm past president of the Ontario School Bus Association.

Mr. Patrick Dwyer: I'm the district—I'm a little nervous here, but I'm the northeast district director of the Ontario School Bus Association. Joining me is my compatriot Ron Malette, past president of the OSBA. Both Ron and I own and operate school bus companies in this area.

The Ontario School Bus Association represents 170 school bus companies operating 14,000 vehicles across Ontario. We transport 800,000 students to school and

back safely every day. Our members are primarily family-owned businesses, with more than 60% operating 20 or fewer vehicles. We are proud of our members having long-standing ties to the communities we serve.

We are advocates for safe, reliable student transportation. Safe, reliable student transportation means the same driver on the route all year long. Experienced drivers on the same route all year are significantly less likely to have an accident. Safe, reliable student transportation means safer, cleaner school buses. Thanks to ongoing federal regulations passed in the past 10 years, newer buses are much safer. Thanks to environmental regulations that took effect last year, new school bus engines are much better for our air.

These two goals are best established by stable, predictable funding that takes into account the real cost of operating a school bus, and that's what parents, students and operators are looking for: a stable, predictable funding model for student transportation.

For the past decade, the government has taken tentative steps to move in that direction, striking committees, reviewing the issues and releasing recommendations. We appreciate the commitment of the government to ensure safe and reliable student transportation, but often real reforms fail to materialize.

Some of you on this committee have heard from the OSBA before. That's because the future of student transportation funding has been undergoing one review or another for more than 10 years. In 1996, the government cut 10% from the provincial share of funding for student transportation. In 1998, a further 3% cut to student transportation took effect. Those were difficult reductions for our operators to absorb. The funding model that was put in place was based on a per-student formula, with no recognition for variations in geography. But it's obvious that an operator in Timmins has challenges that an operator in Toronto isn't going to face, and vice versa. There was no built-in response to increases in fuel costs or drivers' wages, and funding for student transportation was not locked in. Boards could spend funds budgeted for student transportation on other priorities.

As a result of concerns from parents and operators, then-Education Minister David Johnson established a transportation review committee. From 1998 to 2002, our members put a lot of effort into the committee, but the model fundamentally remained the same. In 2002, the government struck the Rozanski committee to again review funding of key elements of the education system, like transportation. Dr. Rozanski found that school transportation was underfunded by \$80 million, but the reforms related to busing were not put in place. And on it goes, with a review in 2004 and again in 2006—review after review after review.

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Meanwhile, we have seen fuel prices dramatically increase. Between January 2007 and January 2008, crude oil rose from \$55 to \$100 a barrel. Everyone agrees this increases the cost of busing students by millions of

dollars. The government took action to provide relief on an annual basis. While this is much needed and operators are grateful, it is impossible to budget when you don't know how your fuel costs will be handled until after the fact.

Let me give you another example of the challenges we face. I mentioned earlier the new federal environmental regulations that came into effect last year. While we strongly support cleaner air for the students we transport, we also need to recognize that the new regulations increase the cost of a school bus from \$85,000 to \$95,000. As a result, it becomes more and more difficult to replace aging buses with newer, safer and less polluting vehicles.

The good news is that everyone has the information needed to undertake comprehensive reform. Over the last year, the government has undertaken a study of the true cost of operating a school bus. It is a good study that gives the government a road map for taking action. So what should the government do? Simply, student transportation cannot wait until 2010 for a model that makes sense. We have the tools to fix it now, and we should.

Here is our suggested course of action. The time has come for a new funding model for student transportation. It should include annual updating of cost benchmarks, including wages and fuel; enveloping student transportation funding; multi-year budgeting and contracting to promote stability and long-term investments; and incentives for investing in new buses. Let me speak briefly about each of these.

First, annual updating of cost benchmarks will keep school bus operators competitive with other industries. Unfortunately, we are losing experienced school bus drivers to municipal transportation, long-distance hauling, even to hall monitors in schools. That's because under the current formula, the drivers are badly underpaid. School bus driving is a position with significant responsibility. Keeping the same driver on the route all year is a significant factor in lowering rates of accidents. Annual updating of cost benchmarks like wages will help us keep the same driver on the job all year long. It will also help operators plan for cost increases like fuel.

Second, enveloping student transportation funding is important because some boards—not many, but a few—raid student transportation funding for other priorities. If the Ministry of Education, the Ministry of Finance and, frankly, the Ontario Legislature agree that a board should be spending a certain amount on student transportation, that's what they should spend. Robbing Peter to pay Paul doesn't make sense in education funding. A student's overall education experience suffers when that happens.

Third, multi-year budgeting and contracting will make it easier for operators to make long-term investments in new buses. As I said earlier, new buses are safer and cleaner, so it's a no-brainer to promote those investments.

Fourth, incentives for investing in new buses: Predictable funding is a great start to promote capital investments. However, costs for new buses are significantly higher due to new regulations on emissions. If the gov-

ernment were to waive the PST on bus purchases or provide capital funding for new bus purchases, the result would be a safer and cleaner fleet of vehicles on the road every morning.

These four actions would have an immediate impact. Operators would be able to budget more effectively, we would be able to invest in new, safer, cleaner buses, and we would be able to retain our experienced drivers longer. All in all, that means a safer trip to school for students.

Thank you for your time today. I would be happy to take any questions.

The Chair (Mr. Pat Hoy): And thank you. The questioning will go to the official opposition.

Mr. Toby Barrett: Thank you, Patrick and Ron. It's good to see you at the committee again. Your presentation hits home when you talk about moving 800,000 students back and forth to school every day. I've certainly talked with school bus drivers and I've found over the years the worry and the concern that drivers have for safety. They're very, very conscientious people that I have spoken with, and I can understand that when you've got I'm not sure how many kids in a school bus every day on the highways and the back roads and are dealing with some of the weather that we've been seeing up here as well.

You mentioned bus driver wages. Could you give me a driver's perspective on that? They drive part-time; maybe they're running a farm or running a small business or their husband is or their wife is. What are the wages for part-time?

Mr. Patrick Dwyer: It usually works out to about \$42 a day, or \$21 a trip—about an hour and a half to two hours. It's full-time/part-time. You don't have a life on that.

Mr. Toby Barrett: No, not at full-time.

Mr. Ron Malette: May I expand on that, please? One of the issues we're facing is that in society today, all families need two incomes. To actually expect some individual with that responsibility to be out there day after day transporting up to 72 children on three or four different routes—at \$200 a week, it just doesn't make a lifestyle feasible for a family in today's society. I think we have to look at enhancing that figure so that we can actually retain good, competent people. We are, as an industry, struggling to maintain staff on a daily basis. I would think that any operator in Ontario is probably looking at a driver shortage of 5% to 8% a day. We're always scrambling, looking for additional staff to cover routes for the following day.

Mr. Toby Barrett: I live in a rural area, and I see the school bus driver somewhat akin to the rural mail delivery person. Within the school board system—and I should know this—are the drivers employees of the board? Are they members of unions? Are their wages comparable to teachers or other people in the system? How does that work?

Mr. Ron Malette: Hypothetically, school bus drivers work for private contractors. As we mentioned in our

submission, probably 65% of the operators in Ontario have less than 20 buses. Earning \$8,000 a year for the responsibility they have would not even come close to what an educator will see as compensation for the efforts they put forward. I think it's important to recognize that a driver probably has more responsibility in that short time frame, dealing with 72 children and travelling in traffic. I think there really needs to be some recognition of the efforts they put forward in thinking of the safety of the children at all times.

Mr. Toby Barrett: The way it's structured within these organizations, I can see the challenge in your request for a stable, predictable funding model, in the sense that they are separate from the system. It's a contract.

You mention the term "enveloping." Could you give us just a bit more detail on how enveloping would operate, without making any kind of an organizational change—or maybe there should be an organizational change.

Mr. Patrick Dwyer: The ministry allots so much in the education budget to the boards for transportation, but the money disappears from the transportation portion and it goes to other portions within the boards' budgets—not all boards. That is one of the problems being faced within the industry.

Mr. Toby Barrett: So there's really no provincial government hook to ensure that that is dedicated?

Mr. Patrick Dwyer: It's not assured that the money that is allocated by the ministry stays within the transportation budget.

Mr. Ron Malette: Within the transportation budget, there's an allocation there for drivers' wages, as an example, or for administration. However, when the boards receive their GLGs, they look at this amount of money coming into the board and say, "Okay, how can we be creative and siphon some money off that for our own use?" I think it's happening. We, as operators, have no way of going to the boards and demanding to have some analysis done so we can see where the dollars are flowing. We have to take them at their word.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

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ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

The Chair (Mr. Pat Hoy): Next is the Ontario Association of Children's Aid Societies. Good afternoon. You have 10 minutes for your presentation. I would ask you to identify yourselves for the purposes of our recording Hansard. You may begin.

Ms. Jeanette Lewis: Thank you, Mr. Hoy. Good afternoon, ladies and gentlemen. I'm Jeanette Lewis. I'm the executive director of the Ontario Association of Children's Aid Societies. I have two colleagues with me and I'll let them introduce themselves.

Ms. Virginia Rowden: I'm Virginia Rowden, director of policy at the association.

Mr. Richard Lambert-Bélanger: I'm Richard Lambert-Bélanger. I'm the executive director of Child and Family Services of Timmins and District.

Ms. Jeanette Lewis: The Ontario Association of Children's Aid Societies is a member association. We represent 51 of the 53 children's aid societies in this province. Annually, our members investigate approximately 82,000 allegations of child abuse and neglect. On any given day, there are about 19,000 children in care across this province.

We appreciate the opportunity to make this presentation to the standing committee on finance and economic affairs. Our submission is divided into six areas where we believe attention is needed in the 2008-09 provincial budget so that children's aid societies can provide necessary services to children and families.

The OACAS also supports the government's intention to invest in addressing poverty, post-secondary education, health care and the economy, and we hope that these investments will alleviate many of the root causes of child abuse and neglect. However, we know the need for child welfare services won't end in the near future and we know that the government has a commitment to allow children's aid societies to fulfill the mandate.

In this presentation, as I go through, I'll refer to the various pages on which our material is presented so that you can follow along. I'll begin with the child welfare transformation agenda, which is on page 4 of your document.

We're in the middle of a huge change agenda, which began in 2004, and it's known as child welfare transformation. This is supported by extensive legislative, regulatory, policy and program standards. It's about keeping children safe, but also working with families that are vulnerable, including extended families who come forward to provide kinship care.

There are costs to implement these changes and there are investments needed. We would say investments have been made, but we need more investment if this transformation agenda is going to be successful, in particular, funding to support kinship and adoption, which was not funded in the initial phase of the transformation. We also need funding for increased workload requirements and compliance and reporting on the recommendations of the Auditor General's report. We need funding for the extraordinary costs of protecting children in the remote northern areas and for societies that need to provide services in both French and English.

I'll ask you to turn now to the recommendations we've made on the child welfare funding model on page 7. In the presentations I've already listened to this morning, many of the submissions refer to funding models that need review or need updating. Our funding model was last revised in 2005, and at that time there was a commitment made that there would be continued refinement.

Last June, OACAS made recommendations to the Ministry of Children and Youth Services to combine ade-

quate funding with incentives for effective and efficient service delivery. We made recommendations in several categories, and there's more detail in your report, but we recommended changing the boarding funding for foster parents, group homes and youth so that we remove disincentives to family-based care.

We made recommendations to provide full funding for children needing extraordinary care, including a kind of 24-hour supervision, constant nursing and supported living care, because some placements of children can cost a children's aid society up to \$275,000 a year. You can appreciate, particularly in a small society, having one or two of these children with such expensive care needs can certainly create quite a budget pressure.

We also asked in our request to review the funding model that there be adequate staffing to deliver services in compliance with the standards, that the funding provisions for youth in care be revised and that there would be benchmarks for open adoption, legal custody and kinship placements.

Additionally, we made strong recommendations to address the outstanding issues of northern remoteness and French-language services which have been documented since 2003, recommendations to which I have spoken before at presentations to this committee. There are two northern and remote agencies—Tikinagan Children and Family Services in Sioux Lookout, and Payukotayno Family Services which operates along the James Bay coast—that provide services to a geographical area larger than France. These communities experience extreme poverty, child and youth suicide, isolation and despair, and they have special challenges in delivering the mandatory child welfare services. Most of these communities are accessible only by bush plane, ice road, or maybe by boat along the coast, so any time a child welfare worker needs to make a home visit, it's quite an expensive trip. The unique processes of working with the chiefs and the bands, on behalf of each child, in fulfilling the requirements of the act for consultation, also add to the costs of these northern societies. We have made recommendations that up to \$25 million would be needed to bring them to a level playing field with the societies that operate in the south. There are also extra costs for service delivery in both official languages, and the societies must meet both the obligations of the Child and Family Services Act and the French Language Services Act. These requirements must be recognized in revisions to the funding model.

The next area that our submission addresses is the response to the 2006 Auditor General recommendations; this begins on page 11. I would only say here in this part of our submission that the CASs have moved swiftly to respond to the recommendations of the report, and they have made very, very good progress on all recommendations. There are two areas where additional investments are needed to deliver appropriate service levels and to implement quality assurance. One is on the development of caseload benchmarks. The Auditor General stated that CASs should "establish reasonable caseload

benchmarks for their caseworkers." High caseloads lead to increased risks for children and families. They also lead to staff turnover and to challenges in recruitment. The Auditor General also asked CASs to implement periodic quality assurance reviews. This is another task that is supported by all of the CASs in the field, but will require additional resources.

I'd like you to look at page 12 and our recommendations for the support for crown wards. Crown wards are children in the permanent care of the state. I'd like to begin with the fact that the policies, programs and rates to support youth who grow up in care have not changed since 1994. Since 2006, these young people, who themselves are crown wards, have worked to develop their own recommendations for help. There are four areas of recommendations that I would like to speak to.

First of all, financial support: Crown wardship ends at 18. Under certain conditions, an allowance may continue until a youth is 21; it's called extended care and maintenance, or ECM. These rates for ECM were set at \$663 a month in 1994 and have not been adjusted since. This rate must be reviewed and set above the poverty line and indexed so that youth don't slip back into poverty.

The second area of youth recommendations relates to educational support. We applaud the announcement, in August, by the government of tuition support for crown wards, which allows up to 50% of tuition costs and a waiver of fees for post-secondary applications. We urge you to move quickly so that these supports are available for the 2008 fall semester.

The next area is emotional support. The youth consistently tell us that the most critical thing they need is one reliable adult who they can call on 24 hours a day, 7 days a week, 365 days of the year. This could be a foster parent; it could be a social worker. Funding is extremely limited for these youth, particularly after age 18, and in that category of age 18 to age 21, youth continue to be very vulnerable and need adult guidance for their decisions.

The final area where youth have made recommendations is for a review of the age. Statistics Canada tells us that the average age at which children leave home is over 27, and as a parent, I can tell you that's true.

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Mr. Gilles Bisson: Stop feeding them cheese.

Ms. Jeanette Lewis: Yes, we've tried that.

Children in care are expected to leave home between 16 and 18, and in many cases 21, but youth in care, because they've experienced so much abuse, neglect and other areas of loss and trauma, really need our help for longer than to age 18 or age 21. The youth have recommended that the age to which they receive service be extended to 25, and we support this. We recommend that this be a very high priority for funding, including the staffing costs and the particular supports to youth until they are ready to leave the care of a society.

There are two other areas.

On page 15, we have spoken to the need for a single information system in child welfare. This is a recom-

mendation that has been in many reports since 2004—reports from the coroner, reports from the Auditor General—where there is a strong plea for more efficient service information to be made available to improve compliance and also monitoring of adherence to legislated standards. In 2004, we began working with the Ministry of Finance and the Ministry of Children and Youth Services to develop a single information system, and I'm very proud to say that by the end of 2007, three agencies are now successfully piloting this system. This will make a huge difference to the information that the government has and the information that the societies have, and that information will have a direct effect in terms of monitoring outcomes of children in care. We will be submitting a business plan for full implementation, but in the meantime we urge you to consider how funding will be provided to continue the pilot projects until the mature system is in place.

The Chair (Mr. Pat Hoy): You have about a minute left.

Ms. Jeanette Lewis: I will finish in a minute.

On page 17, we identify the budget requirements for 2008-09. We refer the committee to the fact that children's aid societies have been managing through a year of deficits and some of them have carried deficits from last year forward. These have a cumulative effect. We really need to have the funding model addressed and the funding requirements addressed.

We have six recommendations: first of all, that funding be provided for the child welfare transformation, as I've spoken to; that the funding model include northern remoteness, French-language services, boarding rates and so on, as our recommendation states; that the ministry commission a third party review of caseload benchmarks and funding for children's aid societies to enable compliance with service standards and the Auditor General's recommendations; that CASs receive funds to support the needs of crown wards beyond the age of 21; that the single information system be funded; and that the deficit from 2007-08, projected at \$50 million based on the second quarter data, and the 2008-09 increase of 3% to 5% in net expenditures be funded.

Thanks very much for your attention.

The Chair (Mr. Pat Hoy): This round of questioning goes to the NDP.

Mr. Michael Prue: Thank you for a very comprehensive report. I'm particularly intrigued about your fourth recommendation; that is the one dealing with crown wards beyond the age of 21. I was quite surprised, although I am a former member of the board of children's aid societies, by the statement that young people are cut off—that if they have a minimum wage job, they get clawed back. Can you explain? When did this happen?

Ms. Jeanette Lewis: This relates to the OSAP rates?

Mr. Michael Prue: Yes.

Ms. Jeanette Lewis: My colleague knows the information about it.

Ms. Virginia Rowden: This relates to the ECM rates. The rates were set in 1994. If you'll recall, when the Conservatives came in in 1995, all the welfare rates were cut. This rate was originally tied to the welfare rate, and when it was, it was tied to the welfare rate in such a way that it would be clawed back if there were any earnings above minimum wage. So for the kids who are on extended care and maintenance now, the old guidelines still apply, which say that if the young person is earning more than minimum wage, then dollar for dollar, their extended care and maintenance cheque should be clawed back. There was a provision to allow them for a very, very short period—a number of weeks—transition between being in care and being independent, but our kids need a lot of time, and they need a lot of money to go to post-secondary. This is a huge disincentive for them, as well as the disincentives that are built into the OSAP calculations, which also claw back their earnings, and claw back scholarships and bursaries. So there really is a need for reviewing not only the ECM rate which exists but also the calculations for OSAP and the eligibility there as well.

Mr. Michael Prue: You can't name any cases, but anecdotally, obviously there are kids who go out and get a minimum wage job and then get clawed back. They don't have any money to go to school.

Ms. Virginia Rowden: That's right.

Mr. Michael Prue: I mean, if they're not super smart to get a bursary or a scholarship—

Mr. Gilles Bisson: Or super lucky.

Mr. Michael Prue: —or super lucky—the chances are that that's it.

Ms. Virginia Rowden: That's right. Our youth are very significantly under-represented in post-secondary. There are many reasons for that, partly because of the delay in their maturing, but also because of the disincentives. We heard earlier from the folks from the board of education about the importance of the transition year in grades 7 and 8; our kids start losing then.

A lot of our kids haven't graduated from school by the age of 18. The program as it exists expects them to move out of foster care when they're 18. A lot of kids are moving in the middle of grade 12 or grade 11, out on their own. They have the responsibilities that we would have, as adults, of maintaining a household, but also of trying to go to school and pay their bills on a very, very, very small budget.

Mr. Michael Prue: How much would it cost the government if this age were extended from 18 to 21, and how much more if it were extended to age 25?

Ms. Virginia Rowden: I don't have the exact numbers for you right now. I can tell you that there are about 500 young people this year who will age out of care, meaning that they'll turn 21 and no longer be eligible. The current rates for those kids—many of the agencies have topped up their rates, but they get no remuneration from the government. The average rate right now that agencies are paying is in the range of about \$790 to \$800.

Mr. Gilles Bisson: But not all 500 of those kids would necessarily need the services of the children's aid? Some mature and move on?

Ms. Virginia Rowden: Some mature and move on, but all the kids tell us that what they need is one reliable adult. In some cases it's not additional money; it's more the emotional support. Unfortunately, for so many of these kids, the reliable adult they know is their worker. Some of the changes in the transformation hopefully will shift that to kin and family, but right now for the majority of these kids who age out, their worker is the only stable person they know who they can count on.

Mr. Gilles Bisson: What's preventing them from having that one reliable adult? Is it programming or—

Ms. Virginia Rowden: It's programming; it's funding. The CASs are not funded to provide services for these kids. The rate piece might be picked up, but the staffing costs are not.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

SERPENT RIVER FIRST NATION

The Chair (Mr. Pat Hoy): I would call on the Serpent River First Nation to come forward, please. Good afternoon.

Chief Isadore Day: Good afternoon.

The Chair (Mr. Pat Hoy): You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would ask you to identify yourself for our recording.

Chief Isadore Day: Chief Isadore Day, Serpent River First Nation, and the Lake Huron rep for the Anishinabek Nation, Union of Ontario Indians; also the vice-chair for the North Shore Tribal Council.

First and foremost, it's customary to recognize the territory in which we visit, so I want to acknowledge the Mushkegowuk territory and its people. To the leadership, I say wachey and meegwetch for this opportunity to be in your territory today. I'm not sure if there's anybody from the Mushkegowuk territory here. However, I would like to acknowledge that.

Good morning, ladies and gentlemen of the standing committee on finance and economic affairs. On behalf of Serpent River First Nation members, staff and leadership, I want to thank you for your time here today. The submission that I am providing has been mandated by the Serpent River First Nation council under which I have been elected as chief.

Our community is located on the shores of Lake Huron, approximately midway between Sudbury and Sault Ste. Marie on the Trans-Canada Highway. A signatory to the Robinson-Huron treaty of 1850 also formally recognizes that we have traditional territories that extend well beyond the outlined reserve lands that are situated on the peninsula at the mouth of the Serpent River-Lake Huron basin. Traditional territories extend well above where the city of Elliot Lake is located today,

and as far east and west as the traditional territories of the Sagamok Anishinabek and Mississauga people.

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It has always been said by our elders that we must ensure we are preparing the path for the next generation and beyond. We have always been told that as Anishinabek people, we were never without sustenance and that the land, air and water provided everything we needed to sustain and flourish as a people here in our native lands. Along with these very simple but essential teachings, we are also reminded to acknowledge and to insist to crown governments and citizens of Canada and Ontario that the basis for our relationship is founded on our inherent rights and responsibilities to share our resources. Entering into treaties and other agreements was based on inherent rights.

Along the way throughout the last several decades, First Nations have had to deal with struggling through jurisdictional matters between the province of Ontario and the federal government. It was never intended or expected that First Nations would have to deal with split jurisdictions and various levels of autonomous government. Constitutional recognition that defined the federation was never inclusive or had not taken into account the jurisdictional implications of First Nation governments because that same recognition was not afforded to First Nations at that time.

In having initially only to deal with the federal crown, our earlier relationships with the Department of Indian Affairs were clearly based on single dealings with the Indian agent on most matters. Today, we deal with policy that is based on provincial legislation. This added level of government, which was not the choice of First Nations, has added a dichotomy of disastrous impacts on our relations with crown governments and the fiduciary dealings and doling of resources that we initially intended to share.

Only in recent decades, after section 35 of the Canadian Constitution, has the discourse of First Nations rights accelerated the observance of the fiscal relationship and realities that the federal and provincial governments have with First Nations. Most relevant to this concept is the recent Haida, Taku and Mikisew decisions of 2004 and 2005, outlining a provincial crown's duty to uphold the principles of consultation and accommodation where various levels of impacts on First Nation rights and where fiduciary responsibilities exist with the crown.

Note: This precursor discussion up to this point in my submission is not intended to be merely a historical overview. An adamant point must be made that this submission is being made based on the fiduciary premise of the crown's responsibility to First Nations, and that the Ontario government and Canada must resolve the jurisdictional debate as to where federal and provincial spending on First Nations occurs and who is responsible for ensuring that fiscal requirements meet the needs and demands of servicing on-reserve populations.

The following are some general statistics that demonstrate some of the visible realities that First Nations deal

with today. In the submission that I'm making today, I outlined some statistics that I got from the Assembly of First Nations, and I'll just note that they're in the submission.

What I want to do with the little time I have left in my submission is I want talk to the standing committee on finance and economic affairs in consideration of the following principles—and I've got five of them listed here. I'm just going to note those and describe them, and then have some closing remarks.

The five principles I want to talk about are access to programs and services. The members and citizens of Serpent River First Nation have rights to access and benefit from programs and services that all Ontarians have access to. Ontario's submissions to the federal treasury must recognize where First Nation disparities and poverty levels exist. I say that to this committee because it's often seen that the federal government has exclusive jurisdiction over First Nations issues, and it's quite clear that there are many different pieces of legislation and agreements where the provincial crown has a direct relationship with our First Nations. We're seeing in our own communities where the funding levels that we receive through various programs aren't adequate to meet our current needs.

The second principle is lack of First Nations capacity, which impacts other costs. The cost of living, inflation, low economic development in First Nations due to land tenure and access to capital, and high unemployment rates are common themes in Serpent River First Nation. Human and financial impediments and hurdles to building capacity are a drain on other areas: Health indices provide evidence of increased social spending and costs on the health care system specifically in First Nations with high unemployment. Again, the impacts of unemployment, lack of economic development—certainly we have many statistics to demonstrate that we have high levels of those impacts and manifestations of lack of economic development.

Next is First Nation spending versus the pan-aboriginal conglomerate. It is clear that First Nation spending envelopes are in a fiscal category that is unique and is set outside of the one-off provincial or federal funding envelopes. Ontario is obligated to recognize the First Nation-based programming commitments and to analyze specific needs and resource levels required to provide those services.

What I mean by that is that as a leadership, we often see that in recent years, and we're seeing it now with the federal Conservative Party, that the pan-aboriginal approach is more of an economies-of-scale thread of thinking, and it certainly has impacts in terms of how we view the issues and needs of specific First Nations status people on reserves. I think that in moving forward to the federal Treasury Board, that needs to be noted along the way somewhere.

The next principle is youth demographic realities of First Nations. Demographics play an important role in determining the programs and services provided to

Ontarians. With the demographics of First Nations so different from those of mainstream Ontario, programs and services do not fit the needs of First Nation communities. In particular, in Serpent River we have a population on reserve of 363 people, with 173 people between the ages of 0 and 29. Therefore, we have 47% of our population that is under 30. Surely, the rest of the committee would understand the issue of demographics and youth populations such as that, which require very specific consideration and programming. So I also want to note that principle.

The last principle is the issue of natural resource development, and it must recognize First Nations territories. Again, I had mentioned the earlier case law and the Haida, Taku, and Mikisew court rulings that indicated that resource development that occurs within a traditional territory of First Nations must ensure that consultation and accommodation requirements are reconciled. This duty to consult, as of 2008, has yet to be established through formally established policy standards, where consistency is established across provincial ministries. That would create greater efficiencies and effective process. The cost of ensuring consultation is often overlooked. However, we are again adamant that this resource matter is an issue that the crown must resolve in order to ensure that this requirement is upheld.

With that being one of my final notes, I want to suggest that we're finding in our First Nation and across the territory on the North Shore that this whole issue of consultation and accommodation is a very huge matter that the provincial crown is, in our opinion, really lacking in having anything substantive in nature to build on and to utilize in the consultation process with First Nations. It's not just on resources issues; it's with all provincial ministries and the programs they deliver. We're finding that the stronger and faster that government becomes, it lends itself to this whole notion that there's a greater requirement for the crown to consult with our people on the development and delivery of programs that affect First Nations people.

1300

In closing, I think that there's a whole lot of development that has happened in terms of recognition of First Nations' rights, and certainly the cost to the province of Ontario for recognizing that needs to be considered. I feel that the province is a little bit behind on that particular issue.

With that, I want to let you know that there is a lot of other information and presentation within the hard copy that I provided the committee today, one of them being the issue on policing and the fact that the Ontario First Nations policing agreement is being sunsetted into extension after extension. It clearly indicates to me that there is no legal agreement and the liabilities that are a potential fallout from the lack of a recently determined agreement are certainly on the shoulders of the province of Ontario; our communities are screaming that this issue get resolved. Again, it is an issue of resources and the funding levels that the federal government and the

province toss over our heads. First Nations are often being seen as playing monkey in the middle with that particular issue. So that's one that I want to give special note to.

With that, I want to thank the committee for their time. I apologize for the late delay.

The Chair (Mr. Pat Hoy): And thank you for the presentation. This rotation goes to the government. Mr. Arthurs.

Mr. Wayne Arthurs: Chief Day, thank you for being here today. I very much appreciate it. I don't have some of the experience that maybe some others do around the room, but each time I have the opportunity to hear from a First Nations council member or chief, it certainly builds on my limited capacities and knowledge base in the area. It's been very, very helpful. Yesterday, I think half of our presentations, or thereabouts, in Sault Ste. Marie were related to a variety of First Nations activities, so it was very helpful. I think to this point, today anyway, you're the only one who has presented to us, so I'm appreciative of having that opportunity yet again today, and for the hard copy presentation. It's very well presented, in my view.

I think we heard yesterday in particular a couple of things that are probably reflected in your comments as well—the need for the province to be an active advocate on behalf of First Nations with the federal government, to use our political capacities to ensure that those responsibilities are being met. The establishment of our first Minister of Aboriginal Affairs with the Honourable Michael Bryant is a significant step in identifying the very direct concern and effort in that regard, with his background and experience.

I'd be interested in hearing in the couple of minutes that we have left any thoughts you have, any comments you have on a structure or format whereby how a tripartite consultation process—federal, provincial and First Nations—might look, who the stakeholders, if there are other stakeholders, should be. Are one of those groups the primary lead on that? Is there a better way to do it, in a more collaborative fashion than having one group or another being the principal lead agent?

Chief Isadore Day: Yes, I appreciate the comments and thank you for those. The question around the tripartite approach to consultation is something that's well-appreciated as well. I think that you're probably going to find that tribal councils and PTOs, which are political territorial organizations, are going to be the main stakeholder forums for our First Nation communities, because it certainly does require an economies-of-scale approach to ensure that we're actually collecting and disseminating the information and making sure that it gets out appropriately to the relevant First Nation bodies.

Your tribal councils have a very technical mandate, where they can actually provide the structures and the flow-through secretariat functions to make sure that our communities are getting that information. The political territorial organizations—which are NAN, the Union of Ontario Indians—are more technical/political bodies that

have more capacity to look at what the political implications are. We have access to legal resources that could assist us in what the legal implications of the consultation look like. The Union of Ontario Indians represents 42 First Nations and we have a staff that are quite equipped to take on that.

For example, I recently passed a resolution at the AFN on a cabinet directive at the national level to streamline the regulatory process with the federal programs on the environment, NRCan and those types of agencies. Our concerns at the AFN level are that appropriate consultation hasn't occurred and that the federal government needs to recognize that in order to effectively and economically respond there has to be that sort of a streamlined approach with First Nations at the table.

So to answer your question, I think we're going to find that the most bang for the buck on that is to work closely with the PTOs and the tribal councils.

Mr. Wayne Arthurs: Thank you very much for that.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

TOWNSHIP OF MOONBEAM

The Chair (Mr. Pat Hoy): And now, by subcommittee agreement, we will hear from the township of Moonbeam. I think you gentlemen know this well—I've noted that you were in the audience—but you have 10 minutes for your presentation and there could be five minutes of questioning. I'd ask you to identify yourselves for the committee recording Hansard.

Mr. Gilbert Peters: Yes. We'd like to begin by thanking the committee for making time for us. This is Mayor Gilles Audet from Moonbeam. I am Councillor Gilbert Peters. We just wanted to be present so we could make some kind of statement toward what we think has to be done in northern Ontario.

Number one is that we believe that financial incentives have to be provided to smaller northern communities for economic development. It should be made mandatory, for the hiring of economic development officers in each community. There should be a population of 1,000 per municipality so that economic development can be an ongoing opportunity.

Number two, it is time to start thinking about four-laning Highway 11. This is supposed to be the people's highway; it is not just for transport trucks. The province has created a very dangerous situation by allowing trucks with loads so wide they cover three quarters of the paved surface. It is supposed to be a public highway, not just for specialized groups. Serious consideration must be given to the four-laning of the highway so that the general public can feel safe on our roads.

Being a board member on DSSAB, representing four communities, I recommend that elevators in two-storey buildings be installed. In our district, we have 14 two-storey properties. People living on the second floor using canes, walkers, wheelchairs or simply with difficulty getting about, cannot descend to the first level because of

their condition. Costs for this would be a one-time injection of \$5,000, plus \$75,000 per year given to the local DSSAB board so they would be able to do the maintenance on these 14 elevators. It is getting to be a critical situation. I am getting calls four or five times a week on this issue.

As a councillor for the municipality of Moonbeam, I know the need for infrastructure support. There is a dire need for road repair, changing of culverts, ditching, installation of lighting at critical intersections where people miss exits from the main roads. A provincial injection of \$5 million in Moonbeam is needed immediately. We're the only municipality in northern Ontario that had an increase in population of 8% in the last census.

In summer, because we are a tourist-based economy, our population rises from 1,300 to 3,000. Million-dollar homes are being built and people are putting demands on us as a municipality that we cannot provide due to costs. We need help. We have not had a major injection into our infrastructure for about 15 years.

1310

At FONOM last spring, Mr. Bartolucci told us a story about a hockey player who had spent quite some time in the penalty box, comparing himself to northern Ontario. Ladies and gentlemen, northern Ontario needs your help and needs special consideration for letting us out of the penalty box. We are due for a full pardon so we can develop our economies to help enrich our government, our communities and our citizens in northern Ontario.

Mr. Gilles Audet: I just want to add another thing. Our small community needs a fire truck, a snowmobile, a snowplow and a grader. We need to pay for all of those things. If we could have a government incentive to give us money for that, it would be really appreciated, because our fire truck was brand new in 1974, I think; we need a new truck pretty soon. The fire department has 24 volunteers, and they're after us all the time about when we're going to buy one. We need to have some help to buy a truck. It's at least \$300,000. I just want to mention that.

We'll take your questions.

The Chair (Mr. Pat Hoy): Thank you both. This round goes to the official opposition. Mr. Arnott.

Mr. Ted Arnott: Thank you very much, gentlemen, for your presentation. I think it's very helpful and important that municipalities in northern Ontario come forward to participate in these hearings so that members of the committee have a better understanding of the unique challenges you face and your vision of improving your communities through economic development, and you should be commended for that.

You mentioned the infrastructure needs and you indicated that you feel you haven't had a major effort to improve your infrastructure in about 15 years. Can you tell us a little bit more about what specific infrastructure needs you're encountering right now?

Mr. Gilbert Peters: Our biggest problem right now is that within our municipality we have a lake that is nine kilometres long by three kilometres wide, and in the last

few years, where these used to be just summer camps, people from outside the area are coming in and buying two and three of these old summer camps. They're building multimillion-dollar homes on them, and the roads that we had for summer use are no longer good for year-round use, unless they're frozen in the wintertime. But come springtime, we have the mud coming up, and all the trucks and everything that are doing this new construction just can't get through. We have culverts that are caving in, we have water that's building up in the roads, and we just can't keep up. We put an extra \$40,000 into our roads last year, and it was a drop in the bucket compared to what we need. We just can't keep up.

We're the only community that has been able to turn our municipality into a tourist-based economy. Right now, I'll give you an example of what we've got—and this has only been in the last eight to 10 years. The value of our properties are going up because of the cottages that people are building on there—

Mr. Ted Arnott: And your population's increasing, you said.

Mr. Gilbert Peters: Our population increased by 8%. We've built a golf course. We have three major campgrounds, with a provincial park. We have a system of nature trails second to none—34 kilometres, 12 of which are paved—going through the wild country. We have 100 kilometres of snowmobile trails. It's developing faster than what we can pay for the infrastructure, and we really need help.

We had two contractors come into our municipality, and they told us that our roads, in general, are not bad. If we get on it within the next one or two years, they stated that we would be able to save the base of our roads; some areas would need more work than others. In the municipality, we have five kilometres of paved roads, and nothing has been done for 15 years. They recommend that because we did not lose our base—we do not have to change any sewer or water lines—if we put a two-inch covering on top of all of our streets, we should be good for another 10 to 12 years. So if we do it now, it's a matter of maybe \$5 million. If we wait longer than that, we may be in need of an injection of \$10 million. The mayor and I are trying to get this fixed before it becomes a bigger problem.

Mr. Gilles Audet: Because we have about 55 miles—

Mr. Gilbert Peters: We've got 55 kilometres of gravel roads—

Mr. Gilles Audet: Miles. That's 90 kilometres of roads in the municipality. That's why when we spend \$60,000 a year for gravel, it doesn't go far.

Mr. Gilbert Peters: All the contractors are telling us now that we need six to eight inches of good gravel; we can't continue putting two inches of gravel on some of our roads and hoping that it will stay up. We are in a very, very difficult situation.

Mr. Ted Arnott: You also mentioned the buildings that need elevators, and I think we need a little more information about that. Are those seniors' apartment buildings?

Mr. Gilbert Peters: Yes. About 10 or 12 years ago, from my understanding, they tried to rent the upper floors to younger groups of people, but those people who were 60 years old at that time are now 70 and up. The DSSAB itself and the municipalities can't afford to put these elevators in. It would be a one-shot injection, and after that we'd be okay. When you see the people in these buildings and how angry they get because they can't get to the second floor—

Mr. Ted Arnott: They can't get into their homes, right?

Mr. Gilbert Peters: Well, they are home. They live in these buildings, but they can't go out to visit anybody,

they can't go shopping, they can't do anything. It's that kind of stuff that should have not happened. I would like to see that no more buildings be put up where there are no elevators. If any government building goes up that has two floors, my God, there should be an elevator in there or some device so that people can get up and down. There has to be.

Mr. Ted Arnott: I would agree completely.

The Chair (Mr. Pat Hoy): Thank you both for your presentation.

That concludes our hearings for today. We are adjourned.

The committee adjourned at 1317.

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ISSN 1180-4386

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Thursday 24 January 2008

**Journal
des débats
(Hansard)**

Jeudi 24 janvier 2008



**Standing committee on
finance and economic affairs**

Pre-budget consultations

**Comité permanent des finances
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Consultations prébudgétaires

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Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 24 January 2008

Jeudi 24 janvier 2008

The committee met at 0903 in the Valhalla Inn, Thunder Bay.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. We are pleased to be in Thunder Bay for today's hearings.

THUNDER BAY DISTRICT
SOCIAL SERVICES
ADMINISTRATION BOARD

The Chair (Mr. Pat Hoy): I would ask our first presentation to come forward, the Thunder Bay District Social Services Administration Board. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard. You may begin.

Ms. Gwen Garbutt: Good morning, Mr Chair and members of the standing committee. On behalf of the Thunder Bay District Social Services Administration Board and the people we both serve and represent, we want to thank you for the opportunity to speak to you today. My name is Gwen Garbutt, and I am the vice-chair of the board. I'm joined by Joe Virdiramo, who is the secretary-treasurer of the board.

Let me start by saying we believe that the McGuinty government is on the right track when it comes to social services. We applaud the provincial government in eliminating the national child benefit clawback; for the Best Start and the schools first policy, providing the operating and capital funding to expand child care spaces throughout the district; for the northern home repair program which is providing much-needed assistance to families; and for the new Seniors' Centre of Excellence in Thunder Bay.

We are pleased to note that the government has committed to the development of a comprehensive poverty reduction strategy with key targets and deadlines. This is an extremely important step toward the ultimate goal of totally eliminating poverty. We want to focus our remarks on that issue today. Before we get into the details of what should be done, I want to brief you on the realities of poverty in the northwest, and in the Thunder Bay district in particular.

Mr. Joe Virdiramo: Good morning. I'm Joe Virdiramo. Bienvenue à Thunder Bay.

First the statistics: Using Statistics Canada's low-income cut-off level as a comparator to the annual social assistance rates, we find that there is a significant disconnect between what we are allowed to provide a recipient and what they need to survive in our region: 49% of our caseload is singles, and they get between \$11,000 and \$13,000 less than what they need; 41% of our caseload are sole-support parents, and they are short-changed by \$9,400 when they have one child over 13; couples with one child can get anywhere from \$13,600 to \$19,300 less than they need to properly function in our society. Those are some of the statistics.

We now want to turn to what it means to be in poverty in this community. We have been working with one of the local high schools, Hillcrest High School, and they have provided us with two pieces of information: Of the 100 students who were surveyed in grades 9 to 12, 81% stated that they did not eat breakfast every day; 77% of the students stated that they believed students are bullied if others think they are poor and disadvantaged.

Let me now turn to a few of the testimonials. A student aged 15 said, "One of the toughest parts about being poor is coming to school. It is hard when I look around and see everyone dressed with all the right clothes. I don't have that. Some of the guys bug me about wearing the same thing all the time but it's all I've got. I would rather spend extra money on clothes than food. No one sees if you don't eat but they always see what you wear."

Ms. Gwen Garbutt: A 16-year-old student said, "Being poor affects everything. Self-esteem—you don't feel accepted. Learning—you can't eat in the morning and need nutrition to think straight. Assignments—can't buy the supplies. Sometimes kids have to choose between food and school supplies."

Finally, a student aged 14 told us, "If you can't buy nutritious food then it's hard to learn. I know if I don't eat a good breakfast I can't think and learn. If a kid doesn't have a choice to eat well then the choice to learn is taken away from them."

The teacher involved with this project wrote the following, based on her 18 years of teaching. She describes three different students. Let me read you one of those:

"He was a young boy, the youngest from a large family and his father died when he was 14. Some days

his mom would tell the teenaged kids they were on their own for the day while she went to work. On those days, they would head out to friends' homes to hang out and hopefully be fed because it was a strong certainty that there wouldn't be much, if anything, to eat in their own house. If there was food at home, it was literally a race to the table to grab what you could because there wasn't enough for everyone to eat. Sometimes the boys would give their share to their sisters and other times they were just too hungry to be chivalrous. School was never a priority because the rewards that he could receive from getting an education were too far off in the future to do him any good now—dreams of a well-paying job after high school didn't ease the constant feeling of being hungry."

There are more testimonials and more reflections from the teacher in the brief. I would encourage you to read them when you have a minute.

Mr. Joe Virdiramo: Let me turn to the action that needs to occur. Thunder Bay DSSAB recommends that the provincial government's main priority should be the commitment to build a comprehensive and integrated poverty reduction strategy. Thunder Bay DSSAB's experience is that the current level of financial assistance provided to the poor is viewed as a punitive measure upon the most vulnerable Ontarians who are experiencing mental health and physical health issues, those who have diagnosed and undiagnosed psychological and learning disorders and those who happen to reside in areas facing significant economic challenges.

Many social assistance clients present to DSSAB with long-term, untreated and disabling mental health and developmental problems.

0910

These clients often cannot comply with social assistance program requirements. Due to the lack of available services through the health care system, Thunder Bay DSSAB has contracted with a local agency for the completion of psychological assessment services. Psychologists from St. Joseph's Care Group's Behavioural Sciences Centre have indicated that they have never seen such complicated cases come through their offices as they are having referred from Ontario Works. Thunder Bay DSSAB recommends that the studies and reports on the mental health system reform completed over the last 10 years not be repeated as a precursor to action.

Ms. Gwen Garbutt: The Thunder Bay District Social Services Administration Board recommends that responsibility for implementation of outstanding recommendations contained in the 2002 North West Mental Health Implementation Task Force report, A Regional Mental Health System for Northwestern Ontario, is assigned by the Minister of Health to the North West Local Health Integration Network, and that these recommendations be appropriately funded and acted upon immediately.

Recent reports confirm that there is a bewildering assortment of social assistance program rules and directives and inadequate linkages between systems. The same reports confirm that when a person receiving social

assistance starts to work, the total tax on a working poor person can add up to more than 100% of the earned dollar. This means that poor persons in some cases can have the highest marginal effective tax rates in the country. That means they are paying the same tax rate as each of you on this committee. That's not fair, and it's not wise either.

In many situations, families are better off remaining on assistance as their disposable income on assistance is greater due to the fact that low-income earners must pay back the majority of the income they have earned. DSSAB recommends that the province consolidate social assistance programs within one ministry and implement other recommendations contained in the reports described to promote policy integration and to provide incentives, not barriers, in getting off social assistance.

Mr. Joe Virdiramo: The Thunder Bay DSSAB recommends that the provincial government continue negotiations with the federal government to assume a greater cost sharing for social service programs such as expanding eligibility rules for unemployment insurance, wage top-ups for low-income earners and funding for permanently disabled individuals.

Finally, let me turn to Thunder Bay's growing urban aboriginal population. It grew by 22% from 2001 to 2006, to 8.25% of the total population, and that is likely understated. Canada's aboriginal population grew by 20% from 2001 to 2006, to 3.75% of the total population. The trend to move from remote communities into larger urban centres is growing, and while many are employed in well-paying jobs, there are those who require the supports of the social safety net. The Urban Aboriginal Task Force found that at least 56% of urban aboriginal people's earnings in Thunder Bay were under \$20,000.

The city of Thunder Bay was selected by the federal government as one of 12 municipalities to assist aboriginal people living in our community through the urban aboriginal strategy; however, funding for the program requires provincial matching. Thunder Bay DSSAB strongly recommends that the provincial government work with the federal government and the urban aboriginal community within the city of Thunder Bay to adequately fund this much-needed initiative.

Mr. Chair, members of the standing committee, we thank you for your time and interest. We'd be happy to respond to any questions that you may have.

The Chair (Mr. Pat Hoy): Thank you. This rotation goes to the official opposition. Mr. Murdoch.

Mr. Bill Murdoch: I'm sorry I was a little late, so I'll turn it over to Mr. Prue here.

The Chair (Mr. Pat Hoy): Mr. Prue of the NDP.

Mr. Michael Prue: Okay. A couple of things: I think everybody would commend everything you're saying and all the recommendations you're making, but I'm a little nonplussed by two of your statements. One is that you commend the government for ending the clawback, and it is still 100% in effect. Why do you commend them for that?

Ms. Gwen Garbutt: I don't know that we said we commend the government for the clawback. We certainly comment them for the things that they are doing. We're just saying that we don't think it's enough.

Mr. Michael Prue: "We applaud the provincial government in eliminating the national child benefit clawback," which they haven't done at all. So I just wondered why you said it. Okay, you don't know why you said it.

The second one relates, again, to poverty rates and ODSP and OW payments. They have been increased only marginally in the last four years: 3% in the first year, 0% the second, 1% and 1% in the following years. Given inflation, people are actually worse off today than they were under the Harris government, and you commend the government for going in the right direction. Can you tell me what you expect in this budget?

Ms. Gwen Garbutt: It would be nice to see if it was well above the rate of inflation. The reality is that there probably are not the dollars to make that happen.

Mr. Michael Prue: So what are you asking the finance committee to recommend?

Ms. Gwen Garbutt: Certainly an increase, eliminating some of the clawbacks that are currently there for people who do manage to get out and work part of the time. When you find that you're working for \$7 an hour and you're getting, say, \$7.10 taken off your cheque, it's really not a very good incentive to go back to work.

Mr. Michael Prue: How about the minimum wage? I didn't hear anything about that. Do you think that should be increased? And, if so, by how much and when?

Ms. Gwen Garbutt: I believe it was just increased.

Mr. Michael Prue: To \$8.

Ms. Gwen Garbutt: Yes, it probably should be increased, but you also have to realize that the people who are paying that minimum wage are usually small companies who don't make enough money to pay somebody \$27 an hour.

Mr. Michael Prue: The two biggest companies that pay minimum wage or less are Wal-Mart and McDonald's, both traded on Standard and Poor's. What about them? Should they be paying more than \$8?

Ms. Gwen Garbutt: In the case of McDonald's, it's a franchise, so it's not McDonald's that's losing the money; it's the guy who owns the franchise. By the time he pays his franchise fees and everything else, he probably can't afford to pay much more than minimum wage.

Mr. Michael Prue: Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

STUDENT UNION OF CONFEDERATION COLLEGE INC.

The Chair (Mr. Pat Hoy): Now I call on the Student Union of Confederation College Inc. to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of

questioning. Please identify yourself for the purposes of our recording Hansard.

Mr. Jon Hendel: Good morning, everyone. My name is Jon Hendel. I'm the president of the Student Union of Confederation College, representing 3,000 full-time and over 12,000 part-time students. I'm also the vice-president of the college's student alliance, which represents more than 110,000 college students across Ontario.

I came here today to talk to you about a looming labour shortage in Ontario. It's projected that by 2025 we'll have a labour shortage of more than 360,000 people. My recommendations throughout this document state that education is the key to relieving this labour shortage.

One of the key issues—I think everything stems from this issue; I actually read an article about this in the paper this morning—is that in 2004-05 we were the lowest-funded students in all of Canada, in all of the provinces. Right now I believe we're ninth out of 10. I, as a student—the college receives from the government \$6,685. If I just tiptoed over to Manitoba—they're receiving 45% more than I do. The second-lowest in all of Canada is PEI, but they're still receiving 18% more than I do. If I go over to Lakehead down the street here, they receive 38.8% more than I do. If I go to Hillcrest High School down the street, they get 47% more than I do. I'm actually only funded 70% of the national average of \$8,800. The recommendation to the standing committee is that we at least bring Ontario to the provincial average of \$8,800.

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The McGuinty government talks a lot about pathways, but I think a lot of times we have roadblocks. In Thunder Bay we have many underrepresented students who cannot receive funding, one group being aboriginal students, another being students from low-income families, and another, students with disabilities. A lot of the time we see aboriginal students come to the big city and have culture shock. That's one of the things that I've been dealing with. I've been with the college, in student government, for about four years now, and it's one of the number one issues that we see. Students from low-income families are facing issues of rising education costs and huge student debt loads. We only see 19% of students from low-income families going to university and 29% go to college. OSAP needs an overhaul when it comes to dealing with these students. Many students with disabilities who need to take a low course load do not get the adequate funding that they need.

One of the key things to reach these students is having upfront grants, and one of the ways we can do it is by eliminating the education tax credit. In my case, and actually in a lot of students' cases, while they're going to school they can't make 10 grand, can't make five grand, can't make 30 grand a year. To have this education tax credit, there's no way they're going to be recouping those dollars. Only the students who are making decent money while they're going to school are going to get a good

kickback. Our recommendation is that we eliminate that—it's projected that that would be a \$1.3-billion saving for Ontario—and turn that into an upfront grant for these students.

One issue that really hits me is interest, and I think it actually hits all of us. Interest is killing students right now. It's something that's making our debt insane. I think the average for a student in Ontario now is \$26,000 that students are leaving with. I don't believe that the Ontario government should be charging students interest at all on their OSAP loans, but at least reduce it to prime minus one. Another recommendation is to increase the grace period from six months to 12 months after graduation; currently there's a six-month interest-free grace period.

The Canada Millennium Scholarship Foundation is a really hot topic when it comes to student groups across Canada. Personally, being at Confederation College here, we don't have this industry that there is in southern Ontario. We don't have the RIMs; we don't have the Rogers. We don't have these huge companies that are investing big dollars into these universities and colleges, but we do have the Canada Millennium Scholarship Foundation, which has given \$5 million to students here at our college. It's given over \$789 million to Ontario students since it's been instated. It's set to die in 2008-09, and there's no renewal yet from the feds. I think Ontario really needs to make a stance on this that it either gets renewed or that there's something new and that these dollars are going to the students' pockets. There are a lot of hot topics right now about what form it's in; we don't really care as long as these dollars are getting to students because they absolutely need them.

Transferability is a huge issue as well when it comes to students. Ontario is so far behind when it comes to this. I've sat down with Deputy Minister Steenkamp from the Ministry of Training, Colleges and Universities, and he has made it one of his number one priorities, but I haven't seen anything come out of that either. Provinces like Alberta and BC are so far ahead of us in this; it seems like they're far behind us in everything but. There needs to be a way that a student can transfer from one college to another college or from one college to another university without all of the hierarchy of, "Wow, that's Queen's"; "Oh no, that's just Lakehead University." Twenty-five per cent of college students continue with further studies after they graduate. Currently, 8.7% of graduates move on to university directly after graduation; 17% move on to a different college. It's a pretty big chunk. I'm a huge supporter of the College-University Consortium Council. We need to set them up as a hub of transferability so that there's some sort of accreditation for each program, each course, so that when a student transfers, there's not the huge hassle that there is now.

I truly believe that education can be the key to this labour shortage that is coming up. I thank you for your time.

The Chair (Mr. Pat Hoy): Thank you for the submission. Continuing the rotation, this will go to the NDP, Mr. Prue.

Mr. Michael Prue: Okay. Busy morning I have here, unless you wanted a turn.

Mr. Bill Murdoch: No, no, you're so—

Mr. Michael Prue: All right.

This is the finance committee, so I want to talk mostly about the money as opposed to the educational programs or what can be done to transfer students; I agree with all of those. In terms of money, you started off by making a very good point, that Ontario is dead last or second from dead last when it comes to students. How much money do you advocate being spent on student programs to bring us even up to the middle of the pack? I'm not sure that's where we should be—I think we should be higher than that—but how much are you requesting that the finance committee recommend to the finance minister?

Mr. Jon Hendel: Currently, we're at \$6,600 a student; I recommend at least to go to \$8,800 a student.

Mr. Michael Prue: So you're talking about \$2,200 per student per year to be added incrementally to the budget?

Mr. Jon Hendel: With college students, yes.

Mr. Michael Prue: Where do you think that's going to take us? To the middle of the pack somewhere? Just not number nine—

Mr. Jon Hendel: I believe totally that these dollars per student are directly funded with quality of education. If you notice how we are last in the country—I've been across the country to see these different colleges, and we are dead last when it comes to this stuff. At least if we get to the average, maybe the government could realize that investing in education is investing in the economy.

Mr. Michael Prue: In terms of the students, many of them are fairly poor. The last deputant before you talked about aboriginal students, First Nations students, coming into places like Thunder Bay and having a really tough time in terms of school, jobs and money. Do we need special programs for them?

Mr. Jon Hendel: I actually just did a presentation in Timmins on this, about strategies for reaching the aboriginal student. At Confederation College, the way that we're set up, having a college within a college geared toward aboriginal students, I believe is definitely helping. One of the trends we're seeing right now is that students are entering into these aboriginal programs and then branching out into the mainstream courses that we do have. So I think it's definitely helping with this culture shock that's going on, and I believe it needs to be incorporated throughout Ontario.

Mr. Michael Prue: The last question: You recommended a grace period. This, to me, seems to make eminent sense, changing it from six months before you start paying interest on the loan back to 12 months. Have you costed that at all, what that will cost the Ontario government?

Mr. Jon Hendel: I have not, sorry.

Mr. Michael Prue: Okay. But anecdotally then, can you tell us what effect that will have on the majority of students? It's been my understanding that most find a job within six months, but certainly there are so many ex-

penses when you find a job: buying new clothes, getting an apartment, sometimes moving cities. What will the extension to 12 months do?

Mr. Jon Hendel: I think that anything that can help a student out—I believe that six months is probably at least necessary; any time longer would even be better. If students are finding jobs after six months, at least being able to start collecting something to put against your OSAP loan would definitely be of help, as opposed to just paying interest out the wazoo.

Mr. Michael Prue: Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for the presentation.

Mr. Jon Hendel: Thank you very much.

NORTH WESTERN ONTARIO TOURISM ASSOCIATION

KENORA DISTRICT CAMP OWNERS ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the North Western Ontario Tourism Association and the Kenora District Camp Owners Association to come forward, please. Good morning. You have 10 minutes for your presentation. There might be up to five minutes of questioning. I'd ask you to identify yourself for the purposes of our recording Hansard.

Mr. Jerry Fisher: Good morning. My name is Jerry Fisher and I'm the president of the North Western Ontario Tourism Association. Together, the Kenora District Camp Owners Association and the Northwestern Ontario Tourism Association represent tourism advocacy throughout northwestern Ontario. As active lobby groups, we continue to address critical issues facing the tourism industry and the economy of northwestern Ontario.

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The economy of northwestern Ontario has performed poorly over the past few years. The reality of the quick decline in employment in the forestry industry has shaken communities and caused families to leave the region. We are pleased that the government of Ontario has assisted the industry, and hopefully the forest fortunes will turn around soon. Even in the good years, when the forest industry was booming, there was a marked realization across the region that more diversification was required to create economic stability in northwestern Ontario.

Within the Kenora and Rainy River districts, which is defined as the travel region of Sunset Country, tourism supported directly and indirectly 12,235 full-year jobs; \$451 million in economic activity; wages and salaries in excess of \$282 million; and \$185 million in federal, provincial and municipal taxes. There are approximately 440 tourism accommodation businesses within the region. In fact, 43% of the tourism income in northern Ontario is generated in northwestern Ontario, primarily in Sunset Country.

Tourism in Sunset Country is an export business which is heavily reliant on American visitors. American visitors to our area contribute 79% of all tourism expenditures. In economic terms, tourism in Sunset Country is a wealth-generating industry.

Growth in our industry requires continual reinvestment. Our client base is changing, and we understand our role in the stewardship of the boreal forest and its assets. To grow our businesses, we cannot sell more fish or game consumption. To maintain a world-class fishing experience in northwestern Ontario, our industry advocates and supports reduced limits and catch-and-release fishing. Expansion dependent on current resources is not appropriate. We must diversify the experiences we offer to grow our industry. Largely, our tourism operators are accomplishing this; in fact, seven out of 10 accommodation operators reinvest figures greater than the average profit per unit within the industry back into their operations annually.

Most of the tourist operators within northwestern Ontario are still family businesses. We're proud that our members are real folks and not corporations. We are connected to the landscape and carry with us a long-range view of our individual camps and the industry as a whole. This independence, however, is problematic in accessing capital for reinvestment. We are pleased that the government of Ontario included resource-based tourism in the businesses eligible for northern Ontario heritage fund loans. We would urge the government to continue to support our industry and provide not only expansion dollars but assistance with legislated, regulated requirements such as water, sewer and gas handling.

For decades, the tourism industry of Sunset Country has been heavily dependent on the US visitor, selling experiences related to the region's undeveloped lakes, rivers and forests. In that regard, the roots of the draw for the tourism in Sunset Country are similar to that of the draw of Niagara Falls: a natural wonder, miles and miles of undeveloped forests, fresh lakes, healthy fish and wildlife stocks.

The biggest difference between tourism in Sunset Country and Niagara Falls is not really the quality of the experience we offer but the investment in building on that experience and assisting our communities and businesses in extending the diversification of the stays for our visitors and developing an atmosphere that promotes entrepreneurial investment. We believe that the tourism industry provides the province of Ontario with great opportunities for sustainable growth. We are investing and reinvesting in our industry. We are contributing to employment and tax revenues. We would like to ask you to join in: We would like the province to significantly invest in the potential growth of the tourism industry in northwestern Ontario region.

I am sure you will hear today, and you have heard for years across the region, that massive investment in upgrading our main highways is absolutely essential. Less expensive but equally important for the travelling public is the need for roadside stops, turnoffs, historical markers

and washrooms. Our guests travel up to 18 hours to get to us, mainly on roadways. A great portion of their trip is in the United States. The US is our main competitor, and in every way—roads; historical markers; road stops; clean, attractive washrooms—reinforces to every traveller that they are valued. Ontario is not communicating that same message.

Another way the province stimulates tourism interest is in attractions. For instance, in Ontario there are 24 heritage attractions, 20 of which are in central and southern Ontario, two in northeastern Ontario, one in Britain and one in northwestern Ontario. Somehow, we are doubtful that within the 520,000 square kilometres of northwestern Ontario there is just one attraction of interest to the travelling public that is deserving of provincial involvement. Through various agencies, the province owns at least 40 attractions in the province. In total, the province owns just two attractions in northwestern Ontario. Investing in tourism infrastructure based on either the local population of an area or certain tourism visitations will not grow new jobs in Ontario, and it will not assist the industry in expansion. Can you imagine if the United States government at the turn of the century had decided not to invest in attractions and transportation in Florida because it was kind of out of the way and didn't have much of a population? All we're asking for is simply a fair share.

Finally, we'd like to thank the province and the Ontario Tourism Marketing Partnership Corp. for their recent marketing efforts. This strategy will address both product development and marketing jointly. It will make the best use of web-based marketing tools and will attempt to align with both national and local marketing efforts.

We appreciate this venue for discussing our challenges and look forward to the government of Ontario's and opposition parties' favourable responses to our thoughtful requests. We look forward to working with you to ensure a prosperous future for both the province of Ontario and tourism in northwestern Ontario.

The Chair (Mr. Pat Hoy): Thank you for the submission. This round of questioning goes to the government. Mr. Arthurs.

Mr. Wayne Arthurs: Thank you, Chair. There may be other members of our caucus who may have a question. If they'd just let me know, that would be great as well.

Mr. Fisher, thank you so much for your presentation this morning. We're certainly enjoying our limited visit to northwestern Ontario. I think probably each of us wishes we had a few extra days—

Mr. Jerry Fisher: Please come back.

Mr. Wayne Arthurs: Yeah, we could actually go out and see a little bit of it. Our experiences tend to be between the airport and the hotel, and that's a pretty limited exposure.

Mr. Jerry Fisher: We'll take you fishing. You'll see some world-class fishing up here.

Mr. Wayne Arthurs: With the competitive environment you have with our neighbours to the south or west, I

guess, depending on what your geography is at any given point in time—our American friends—are you seeing in industry here the dollar having a significant impact on the tourist industry that you're engaged in, or is the nature of the business of tourism that you're engaged in less impacted because of the reasons why people come to northwestern Ontario as tourists?

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Mr. Jerry Fisher: No, I have to say it's having a heavy impact, but it's recent. I think the major impact that we're having, which is a federal issue, is the border. Secondly, marketing is totally inadequate, but there have been some major steps in improving that. Third and fourth are the issues that I talked about today: providing the travelling public with quality infrastructure and welcoming them to Ontario.

Mr. Wayne Arthurs: Thank you. I'm just going to pass off the balance of my time to other members.

The Chair (Mr. Pat Hoy): Put your hand up. Who's asking? Ms. Pendergast.

Ms. Leeanna Pendergast: Thank you. Good morning, Jerry.

Mr. Jerry Fisher: Good morning.

Ms. Leeanna Pendergast: Thank you for being here this morning. I just wanted to go back to a couple of things you said. I thought that was an outstanding presentation; thank you. Thank you for acknowledging this government's investment in tourism and marketing and cultural festivals. In our fall economic statement, as you know, \$30 million is being dedicated to the tourism industry, and \$1.4 billion is being invested in infrastructure. Some \$300 million of that money is going to roads, bridges, and waterway systems. My question is, are you working with your municipalities to use some of that investment in building your roads, bridges, and waterways to improve the tourism?

Mr. Jerry Fisher: Interesting question. No, I'm not. Our association, KDCA, is part of a working group of northwestern Ontario municipal associations, and that is one of the items on the list. KDCA and NWOTA are part of that effort.

Ms. Leeanna Pendergast: Okay. That said, with all of the supports that this government has put forward and continues to put forward as we move forward together, what would you see as immediate next steps? Given that those supports are in place, what would you see as immediate next steps for the tourism industry?

Mr. Jerry Fisher: I think marketing is absolutely essential. I winter in the States, and you don't see Ontario at all. Our customers are all from the States, and they just do not see anything about Ontario. There are some major steps being taken right now to correct that; \$1 million is going into the Chicago area this year, but up until then, it has been left up to us. We spend \$11.3 million to market our individual businesses, and we were expected by the Ontario government to buy into 50-cent dollars to further take care of their responsibility in marketing Ontario. This is the first time that we've had some dedicated money to market Ontario as a destination.

Ms. Leeanna Pendergast: Excellent. So then that \$30 million for the tourism industry will go to support exactly what you're talking about: marketing, cultural festivals, things like that.

Mr. Jerry Fisher: I haven't seen the plan, but it's supposed to be marketing Ontario as a destination.

Ms. Leeanna Pendergast: Excellent. Thank you, Jerry.

The Chair (Mr. Pat Hoy): Thank you for your submission.

Now I call on the Northwestern Ontario Women's Centre.

THUNDER BAY ECONOMIC JUSTICE COMMITTEE

The Chair (Mr. Pat Hoy): Okay, the Thunder Bay Economic Justice Committee. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. George Drazenovich: Okay. Thank you. My name is George Drazenovich and I serve as chair for the Thunder Bay Economic Justice Committee. Just to give you some background, the Thunder Bay Economic Justice Committee is made up of representatives from Kinna-aweya Legal Clinic and 15 to 20 other social service agencies, as well as concerned citizens. Our mission is to work towards identifying and overcoming the barriers which prevent people from being able to achieve economic security and live in dignity.

We're here to be able to underscore that it's very important that we acknowledge the depth of poverty faced by many people in Ontario and in particular those in Thunder Bay. In Thunder Bay, people living with low income represent 14% of the population. The economic justice committee has outlined these issues of poverty facing local residents in two public documents: the Poverty Report for Thunder Bay, of which I gave a copy to the committee to review later, and a follow-up qualitative analysis called Rich Conversations with the Poor. These documents provide a factual reference intended to serve as a reliable resource and educational tool for use by the broader community in developing strategies to eliminate poverty in the city of Thunder Bay. Currently, we're undertaking a photovoice—that is a method that enables people to define for themselves and others, including policy-makers, what's worth remembering and what needs to be changed.

However, I would like to focus in this presentation on three specific areas of poverty that have relevance for the budget and that we want to underscore. They are the rates of ODSP and Ontario Works, energy poverty, and finally, the poverty reduction strategy initiative that's going to be chaired by Deb Matthews.

We are all aware that the Conservative government in 1995 cut social assistance rates by almost 22%. Since that time, fuel and electricity costs have increased and the cost of food has risen by 14%. You've probably heard a

lot about the fuel costs in northwestern Ontario. The 7.1% increase since 2003 has not kept up with inflation, nor are the rates, by any definition, adequate.

For example, a single person on ODSP receives an annual income of \$12,386, and that's including all available tax credits. In Thunder Bay, the low-income cut-off is \$17,895 for an individual. That difference represents a 70% difference of the after-tax low-income poverty line. It would require a rate increase of 43% to reach the after-tax poverty line. In contrast, seniors receive regular cost-of-living increases for their income security programs. We think people with disabilities deserve the same treatment.

Ontario Works—which was general welfare; it was changed in that whole process of social assistance—is the first place that people experiencing economic hardship need to go to access social assistance. As Canada's and Ontario's social safety nets shrink and our region experiences downturn, more and more people have come to rely on Ontario Works.

A single person on Ontario Works receives just \$560 a month. With tax credits, that income goes to \$666 a month. That's not just below the poverty line, that's a fraction of the poverty line. We do need reform to better support those who are able to re-enter the workforce and there are programs in place here in Thunder Bay designed to address these, but we also need to acknowledge that many people in this program have long-term needs that require other kinds of support than that income support.

The \$560 that's supposed to cover shelter and basic needs doesn't even cover rent. The average cost of an apartment in Thunder Bay ranges from \$525 to \$586. We just want to underscore that Thunder Bay has among the lowest rents in the province of Ontario yet the highest proportion of people spending more than 30% of their income on housing; that was from a Canadian study that was done about a year ago. Clearly, the issue for Thunder Bay is income levels, so immediate relief in the form of increase of rates needs to be a priority for ODSP and OW.

The second issue is energy poverty. People with low incomes are spending a disproportionate amount of their income on housing and utilities, especially in colder areas like northwestern Ontario. This is due to the rising cost of energy as well as the low efficiency of many rent-geared-to-income units. This trend is negating any social benefit from geared-to-income housing and causing some people to literally be unable to afford to live in subsidized units.

Locally, and across the province as well, the emergency rent and energy assistance fund administered through the Thunder Bay District Social Services Administration Board is exhausted. It was designed as a means of giving low-income people relief if they found themselves in rental and energy arrears. This is a very useful program and provided relief for many low-income individuals. Funding for it should be annualized.

Additionally, concrete steps that can be taken include investing in low-income units to make them more

energy-efficient and increasing the monthly utility exemption set out in the regulation to ensure that lower-income people do not spend in excess of 30% on housing or utilities.

Finally, we come to the poverty reduction strategy. On behalf of the Thunder Bay Economic Justice Committee, I would like to say that we're very pleased that this government has brought the issue of poverty back on the political agenda. We know that every aspect of the labour market has changed in the last 40 years, yet there has been no corresponding reforms or modernization of our income security system to keep pace. In addition, many social justice groups, including ours, called for a poverty reduction strategy that would include an expert panel, including low-income people, policy experts and advocates, to determine just and rational criteria for setting Ontario rates during the last election, and we surveyed local political candidates on their position with respect to this. So we applaud the government on this initiative. It wasn't something that the government pledged to officially, but they went ahead. It's a bold step, and we think it's a very positive step.

We look forward to being able to participate in the comprehensive poverty reduction strategy. The Premier's establishment of the cabinet committee on poverty reduction is a very important first step. We have discussed this issue with our local MPPs and Michael Gravelle, who is in cabinet as well; we're happy about that. We've had a long and fruitful relationship with him, and he has been an excellent support for our committee. He has indicated that public consultations will occur.

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I think it's important to adequately fund public consultations on the poverty reduction strategy initiative so that people's voices can be heard. Doing this properly requires consultation, and it requires funding for groups such as ours which currently exist as voluntary groups. All the people on the Thunder Bay Economic Justice Committee are volunteers. I work for an agency, but the agency allows me to be able to volunteer for this committee, to chair it. We don't have a full-time person consolidating the information and getting low-income people together to be able to have their voice, which is what we want.

We think that such funding would be a smart investment, because a consultation process will find that there are many strategic changes that can be made that are cost-neutral. Although we're calling for increases in OW and ODSP, there are a lot of changes to the system that can happen that won't cost any money but are going to be very beneficial. For example, the ODSP adjudication process needs to be improved, as there are far too many people who are forced to go to tribunal hearings in order to find that they qualify for ODSP benefits. The high success rate at hearings indicates that the initial adjudication is applying too high a test rate for individuals to qualify for the program. Lots of money and resources are being used to help people get on ODSP. This type of work—and we work closely with the Kinna-aweya Legal

Clinic—dominates the casework of a legal clinic. Legal aid has to spend thousands and thousands of dollars for additional medical reports. So if there was a better front-end adjudication process for people going on ODSP, I think there would be a lot of savings in the legal aid cost of it. That's just an example of some of the changes that can happen that are cost-neutral. We hope to be able to outline in detail some of these changes and recommendations when we speak to Deb Matthews.

Again, I'd like to thank you all for hearing me this morning, for hearing our committee. We just want to underscore the rate increase and the energy issue for northwestern Ontario.

The Chair (Mr. Pat Hoy): This question will go to the official opposition. Mr. Arnott.

Mr. Ted Arnott: Thank you very much for your presentation. I found it quite interesting, well-researched and thoughtful. The committee certainly appreciates the time that you put into this and your advocacy on behalf of the people in this area with respect to poverty issues.

You mentioned the fact that there needs to be better front-end adjudication of ODSP claimants. How would that work? What specifically are you asking for in that respect? More resources to ensure that the medical information is adequately reviewed or—

Mr. George Drazenovich: That's coming from the Kinna-aweya Legal Clinic, so they'd be in a better position to look at the technicalities of that, but I'll try to answer that as best I can. I think the thinking is that when the initial ODSP application comes to the adjudication unit, whether it's denied or accepted, the criteria that they've set—which can be a sliding criteria when they're looking at those applications—seem to be too high. So the adjudication unit may say, "Well, this person doesn't qualify because of their disability," or whatever. They're setting that bar very high. What happens is that if they're denied, it goes to the Kinna-aweya Legal Clinic appeals process. They go through that appeals process, and when there's a second look, often the second look says, "No, this person ended up qualifying under the same provisions." So there's a disconnect between those two areas; this is from the Kinna-aweya. I don't have the hard numbers to see how many applicants are denied yet, but we could research that to look at how many—

Mr. Ted Arnott: Initially were denied and then had their case overturned on appeal—

Mr. George Drazenovich: I know that from the legal clinic's perspective, that does dominate a lot of their work, so you're looking at legal aid time for community legal aid workers and lawyers. Some of the community legal aid workers were supposed to be working on community development work, so a lot of their work is taken up doing this kind of casework. So if that didn't happen, those are the kinds of things that could have meaningful change.

There are other things that could change, like with the Ontario Works automated system, in terms of sending people letters right off the bat, feeling that they're going to get cut off. They go to Kinna-aweya Legal Clinic. That

takes up time to be able to go back and forth, when there could just be a reporting glitch or something like that. There are systemic issues that can be resolved that would be cost-neutral that would help in the long run.

Mr. Ted Arnott: Are you able to give the committee some information about the affordable housing situation in Thunder Bay and area?

Mr. George Drazenovich: We can. I don't have that prepared. I could put that together. That issue was raised with the energy arrears and we have looked at that with housing. What happens for some rent geared to income, and not all, is that people will be in a rent-geared-to-income unit, so that will be fine, but their utilities will be separate and the utilities will be paid to hydro. I know, just in some of the work that I have, some of the units that we have, the hydro costs are sky high because the units are old and inefficient. So people end up spending a lot of their money on that energy. What happened with the energy arrears fund was that people who were in subsidized housing wouldn't qualify, because the assumption was that they were already receiving a subsidy, but sometimes they would have to pay for their rent separately. But again, I think there would be an overall saving in the system as well if there were that investment in making the units that are there more efficient.

Mr. Ted Arnott: In your opinion, are the job training programs that exist in the Thunder Bay area adequate for the people who need them?

Mr. George Drazenovich: I can't comment on that because we haven't researched it and looked at it. I think there are good initiatives to have. Obviously that's got to be tied to—I mean, poverty reduction is a complex issue, and it certainly involves economic development so that there can be sustained jobs to work at so that people can live.

I will touch on, a little bit separate from that, the issue of minimum wage. We have a significant amount of people earning their income—even if they're on minimum wage, they'll be close to the poverty line. Some of those jobs have to be taken, I think—and I'd have to get hard data on that—just because of the loss of a lot of the jobs that you've probably heard about already, with our manufacturing sector and mill closures and things like that. So the job training I think is a good initiative. Those are good things to have, but I think tied to that—and this is separate from the work of our committee but it's related—is to have a good, sustainable economic development strategy in northwestern Ontario.

The Chair (Mr. Pat Hoy): Thank you. If you provide any additional information, if you would send it to the clerk, he'll make sure that everyone on the committee gets that. Thank you for your submission.

NORTHWESTERN ONTARIO WOMEN'S CENTRE

The Chair (Mr. Pat Hoy): I now call on the Northwestern Ontario Women's Centre. While they are coming up, for the committee, checkout time is at 1 p.m.

Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I'd ask you to identify yourself for the purposes of our recording Hansard.

Ms. Gwen O'Reilly: Thank you. My name is Gwen O'Reilly. I work as the coordinator of the Northwestern Ontario Women's Centre, which is a community-based advocacy and support and information organization for women in Thunder Bay and northwestern Ontario. I apologize for missing my first call. George has actually covered a number of issues that are significant for women in Thunder Bay as well.

Poverty and violence are two of the main concerns that face the women with whom I work every day. Women's advocates from across the province agree that in order to address issues of gender poverty and violence, governments must also address the social and economic inequality of women. So we're looking at broad strokes but also at some specific services that require funding.

As you probably know, as a group, women are poorer than men. Families headed by lone female parents, young women, women with disabilities, racialized women, newcomers and aboriginal women are all overrepresented among low-income populations in Canada. One of the things that I see in my work every day is that women who live in poverty are especially vulnerable to violence. Many studies that you may have read or heard of, such as the Gillian Hadley and May-Iles inquests, have shown this to be true. In addition to the disproportionate impact of poverty and violence on these various groups, what I see in my work is that women are also being criminalized by a combination of the experience of poverty and the impact of punitive legal and administrative systems. So women on welfare get charged with welfare fraud; women are inappropriately charged in the criminal justice system; sex trade workers wind up in jail. There are many instances of that.

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I have gone through a list of some of the social services sectors that we are concerned about and that need to be funded adequately to address the persistent social and economic inequality of women.

The first is social assistance, and I think George has probably given you a good overview of that. We know that the rates are not adequate to cover the basic cost of living and that the system has become punitive and hard to use. What you should understand, though, as a qualifier, is that women and children make up the largest proportion of recipients, and it is also access to adequate social benefits that allows women to leave violent relationships. So that is a key issue for the women I work with.

Currently, many women don't leave their abusive partners because they fear the possibility of raising their children in abject poverty. You have to ask yourself, when women have to choose between leaving a violent man and living in state-sanctioned poverty, who is the worse abuser? If the government's poverty reduction strategy is to succeed, it has to be invested with sufficient

resources to increase benefit rates to living levels, and there also must be a mechanism to tie those rates to the cost of living to allow for regular increases.

With regard to the child tax benefit, we've done work locally on the provincial clawback of the national child tax benefit, which is a value equivalent to \$120 per month per child. It hasn't been replaced by the government's current interim measures, although there are some encouraging steps forward. We welcome the Ontario child benefit. It's a great step forward, but it is also going to result in the restructuring of welfare benefits, which will mean many people will receive only an additional \$50 per month. This is not adequate to cover the shortfall. The other problem with the OCB is that it's going to introduce more administrative complexity into the social benefit system. Again, sufficient resources are required if that benefit is expected to actually reduce poverty.

With regard to minimum wage, Statistics Canada reports that women account for two thirds of minimum wage earners. Most women I speak to are working between two and four jobs just to make ends meet. They need a \$10 minimum wage immediately to ensure their survival, and also to address the issue of pay equity, which is a key one for women who are concentrated in the low-wage sector.

That's a segue into the pay equity issue. It's been 20 years since the inception of the Pay Equity Act, and Ontario women still earn 29% less than men, on average. This gap continues into retirement for women. To date, the government itself owes 100,000 of its own female workers \$369 million. There is also a double indemnity in this situation. Women who provide services for women—workers at women's shelters, child care centres and community-based organizations such as women's centres—receive wages far below male equivalents. Even where those jobs occur in the broader public sector, there is not sufficient funding or comparators done to supply those pay equity increases. Women need full public funding of the broader public sector pay equity for adjustments to redress outstanding inequities. A funded commission, hearings tribunal and legal support for equity violations are also required to advance substantive equality in employment income.

You've just asked some questions about social housing, and George has covered it pretty well. An aside for women is that a number of inquests lately into the murders of Ontario women by their intimate partners have recommended access to affordable and secure housing to ensure safety for women who are fleeing violent relationships. There's a document called the 2007 alternative budget for Ontario which recommends an annual capital commitment of more than \$830 million and another \$260 million to rehabilitate the existing stock of social housing. As George mentioned, this is a key issue in Thunder Bay, where we have high energy costs because of our long and cold winters. I guess you're experiencing that today. The housing units here are old and poorly insulated. The structural funding issue, on top

of that, is that our municipality is struggling with the downloading of the costs to operate social housing. It would be more appropriate for those costs to be uploaded back to the province, I think.

Another key issue I deal with very regularly in my work is access to justice for women. Women, especially those leaving abusive relationships, need better access to judicare. I see very many women falling through the cracks, specifically in the family law system. Women facing legal issues are having increasing difficulty either finding—so that's basically a shortage of lawyers who will take legal aid—or affording legal representation. Many, many people do not qualify for legal aid anymore. Legal Aid Ontario has to have an adequately funded family law certificate and clinic system to ensure women are safe and have adequate representation. In addition to that, both the Hadley and May-Iles inquests recommend annualized funding for full-time legal support workers in independent women's services and agencies across the province. Many women come to me because they cannot get legal assistance. I'm not a lawyer, I happen to know how the system works, so I provide support, but I'm not qualified to do it. So it's a very big gap in service.

In general, there need to be support services for women experiencing violence. Community-based sexual assault centres require an additional \$3 million of annualized core funding. Women's shelters across the province require \$13 million in one year one to restore the core funding cuts that were taken from operational budgets since 1995. A key issue for this area is that aboriginal women's services need to be funded adequately and systematically.

In addition, many shelters are dealing with much more complex issues such as substance abuse, and we need additional funding for that programming. Shelters in the north have extremely high costs with regard to heating, but also transportation. It costs a lot to bring women in from northern communities and to get them back and forth if shelters are full. Those budgets are always stretched beyond their capacity. One of the issues we see is that there's an attempt to use the same funding formula that is used in southern Ontario, where populations are higher, to justify service. That just does not work here. We don't have the population to do a per capita kind of equation, so that's a consideration.

The Chair (Mr. Pat Hoy): You have a minute left for your presentation.

Ms. Gwen O'Reilly: Okay. I want to mention the language interpretation service. This is a service that provides language interpretation for victims of domestic violence for both First Nations people and newcomers. That program has recently been attempted to be cut. When we're talking about services in the north, often they're expected to serve all communities from Sault Ste. Marie to the Manitoba border, which is ridiculous, and this program is expected to do that for less than \$140,000. If that continues, those people are not going to get service. We're not going to have interpretation for women coming out of violent relationships. That's an important one.

Child care is an essential issue for women's economic equality. We need non-profit, quality child care across the province, and we need a guarantee that the complete federal transfer for child care will be spent on non-profit and publicly funded spaces.

Education is a key concern. Few people understand the connection between women escaping violence and OSAP. Many women who leave a violent relationship go back to school to improve their lives and help support their children. The cost of attending school is incredibly high. Many are left with a large loan that is not dischargeable through bankruptcy, nor do they receive much loan forgiveness, so six months after they're out of school they may be in default, or they may be paying the bulk of their income to OSAP and have very little left to live. Often, women wind up back on welfare as a result. That needs to be addressed.

In the time allotted, I have many other concerns that I haven't time to mention, but I wouldn't be talking to you at all if my organization were not funded. With federal cuts to Status of Women Canada and the change in their mandate, many groups that do systemic advocacy for women are now fighting for survival. Many provincial groups that do policy analysis, run anti-violence coalitions, organize groups provincially such as OAITH, such as Action ontarienne, DAWN, ONWA and the rape crisis centre organization are under threat and need annualized core funding if they are to continue their advocacy efforts on behalf of women in Ontario.

That's all I have today. I'd like to thank you for the opportunity to present, and would welcome any questions.

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The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP.

Mr. Michael Prue: Thank you. Very good presentation; end-encompassing here. Just a couple of questions, because I only have five minutes.

You state, "If the government's poverty reduction strategy is to succeed, it must be invested with sufficient resources to increase benefit rates to living levels immediately," but you don't state what you think that is. The welfare rates were cut 22% 10 years ago—I guess maybe more than that now—and have only incrementally in very small ways, not even to match inflation, been increased in the last couple of years. How much is necessary?

Ms. Gwen O'Reilly: I'm not sure if George outlined this in his presentation, but the general figure is that those rates are 40% below the poverty line, the current estimates of poverty. That gap is rapidly increasing as the cost of living increases. Especially here, we're looking at large increases in both food prices and fuel.

Mr. Michael Prue: What percentage are you advocating? Are you advocating 40% to bring it to the poverty line?

Ms. Gwen O'Reilly: Yes, at least.

There are a number of measures of ways to calculate sufficient income. The market basket approach is one, and certainly we need something that's indexed to the

real cost of living in different communities. In Thunder Bay, the cost of living is, in some senses, higher.

Mr. Michael Prue: The next step you're advocating—you state quite rightly, "Although the new Ontario child benefit is a welcome measure, it will result in a restructuring of welfare benefits around the new income, leaving most with only an additional \$50 per month." This is a provincially mandated clawback, as opposed to a clawback of a federal program. Why, in your view, is this wrong? I think it's reprehensible, but why, in your view, is it wrong?

Ms. Gwen O'Reilly: The principle is not wrong. It's good to have a portable benefit that's going to benefit both people on welfare and low-income wage-earners, but it's not sufficient. If it's being seen as the measure to take people out of poverty without raising welfare rates, then that's not enough to do it.

The second problem is that when you separate income for children from income from families, you wind up with a situation where, if those children are separated from their family—for instance, if the children are apprehended or if there's a custody battle—that family will wind up without enough income to survive and they may lose their housing and be destabilized in other ways. I see that now with child apprehensions when people lose kids to child welfare, even if only temporarily. They lose their child benefit. That's an important part of their income, so they can't pay their rent, and they lose their housing. So the separation of those benefits is also problematic.

Mr. Michael Prue: I don't understand the government's rationale at all. Maybe one of them will explain to me later why a child who lives in a family where the parent or parents are on ODSP or welfare is to be denied a benefit to a child who lives in a family whose parents or parent has a minimum wage job. They're both poor, but one child will lose the benefit; the other won't. What impact will that have?

Ms. Gwen O'Reilly: It makes families poorer. At the women's centre, we run food security programs. We're running something called the Good Food Box, and we are supplying 400 boxes of fresh fruits and vegetables to people every month. If that program was subsidized, we could do double that. People are hungry; they don't have enough money for food. That's the key impact. We see that every day.

Mr. Michael Prue: Is there more time?

The Chair (Mr. Pat Hoy): Thirty seconds.

Mr. Michael Prue: I don't think that's enough, so thank you very much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

KINNA-AWEYA LEGAL CLINIC

The Chair (Mr. Pat Hoy): Kinna-aweya Legal Clinic, if you could come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I would ask

you to identify yourself for the purposes of our recording Hansard.

Ms. Sally Colquhoun: My name is Sally Colquhoun and I am the coordinator of legal services at the Kinnoway Legal Clinic.

Our office is funded by Legal Aid Ontario to provide poverty law services in the district of Thunder Bay to low-income residents. We focus primarily on income maintenance issues and tenancy matters. In addition to providing summary legal advice and actual case representation for various clients, we also do community legal education work and we do community development and law reform work towards systemic solutions for the problems that our clients face with respect to the social assistance system and housing issues. Our clients are for the most part people who are struggling to survive on social assistance in Ontario, a struggle that is becoming more and more desperate.

Much of what I'm going to say today you have heard already here this morning and in other places in the province, I'm sure. What I told the Minister of Finance when he was here in December is that, although you may find it slightly repetitive, I think it's very important for you to continue to hear this message, because it's vitally important that social assistance rates be increased substantially.

Social assistance recipients are not a vocal constituency, so you're likely not hearing much directly from people who are on social assistance. There likely are some ODSP recipients, who are seen more as the deserving poor because they have been accepted as people with a disability, with restrictions in their ability to function in the workplace. But because of the demonization of people receiving public assistance in the past, many recipients are deeply ashamed that their circumstances have forced them to rely on welfare or disability benefits. Most people who are struggling day to day to pay the rent and put food on the table do not have much energy left to be political. They are not in a position to speak publicly about the debilitating effects of having to cope with not having enough money to pay for basic necessities. So our office welcomes the opportunity to speak on behalf of our clients and our community and to urge this committee to recommend to the government a significant increase in spending on social assistance and housing in the coming budget.

We are very pleased that the government has identified the issue of poverty as an important issue and is committed to a comprehensive poverty reduction strategy. The establishment of the cabinet committee chaired by the Honourable Deb Matthews is an important step. But social assistance recipients cannot wait for the process of consultation and development of a comprehensive strategy that we all know is going to take months, if not years. They need more money now.

No one chooses to be on social assistance. It's an income of last resort; it's the bottom of the safety net. People are on assistance because they've lost a job; they've lost a spouse; they're very ill; they're living with

a disability. Program changes in recent years have tightened eligibility requirements so that in fact there are many people who have no income and no assets and are not eligible for social assistance.

Everyone who is receiving benefits has been pre-screened, and then they've been screened, and then they have provided documentary verification of everything that they're asked to provide. I've had clients who've been denied welfare because they can't provide a birth certificate or a social insurance card. People are required to provide all sorts of documentation and jump through many hoops in order to be eligible for benefits. They've been determined to be in need, they're eligible for benefits, but the money they receive is hopelessly inadequate in terms of actually meeting their basic needs. People do not get enough money to meet their basic needs in this province. The amount that a single employable person receives is not enough to pay rent and buy food, let alone pay for other necessities such as clothing and transportation. It's not a matter of budgeting more carefully; the amount of money that people receive is simply inadequate to meet basic needs.

The 2% increase that took effect in November is a minuscule amount of money in real dollars. For a single person on welfare, that meant \$12 a month. A single person on Ontario Works receives a maximum of \$349 a month for shelter. The average cost of a room—not an apartment, but a room—in Thunder Bay is \$452 a month, and I don't even like to think about people who are trying to exist in Toronto on social assistance. But for a squalid room in a rundown hotel in Thunder Bay, you pay \$450 a month. You're only getting \$349 from Ontario Works. Where does the other \$100 come from? It comes from the basic needs portion of your cheque, but for a single person on Ontario Works, that's \$211 for the whole month. So if you're using \$100 of that to maintain some shelter, you've got just over \$100 a month for food, clothing, transportation and all other expenses. It's just hopelessly inadequate, and I've said that already; I can't express it, other than that it's just simply not enough money.

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The gap between what families receive and what they need for basic necessities is hundreds of dollars a month in all communities in Ontario. So the result you see is hunger; you see instability in families because they're moving frequently. They get into a place and then they fall behind in their rent or they can't pay their hydro bill, and so they have to move again. You see families with kids that have moved six times during the school year.

It's important to remember that we're talking about people who everyone agrees need to rely on social assistance for their basic needs. We're proud of the fact that there's a social safety net in Ontario to protect people who are temporarily out of work or who are doing everything they can to find work or who are unable to work for a period of time because of health problems or other crises—like our client who was a waitress for 30 years; she had to have knee surgery and couldn't walk, so

she couldn't work. She didn't have much in terms of savings, she'd used it up, so she's on Ontario Works. She's getting \$560 a month and her rent is \$500 a month. She can't live.

There needs to be a significant increase in the social assistance rates. It's not effective to try to deal with the sadly inadequate rates through band-aid programs like the emergency rent and utility fund. We're happy to have the emergency rent and utility fund, but it shouldn't be a cornerstone of how people pay their rent, to go to this emergency fund where you have to go through a lot of paperwork and hoops and you can't always get the money. People should get enough money each month to pay the rent that they need to pay.

Decreasing the number of families living in dire poverty would positively affect the budget in many other ways. Poor people have more health problems. Children who live in poverty have more challenges in the education system. The coordinator of the local Elizabeth Fry Society, which assists women in conflict with the law, was on the radio recently talking about the increase in the number of women who have been incarcerated; Gwen just mentioned that also. The feeling is that it's directly related to the inadequacy of social assistance rates. Obviously, it's much more expensive to incarcerate somebody than to give them enough money to pay rent and buy food.

Social assistance recipients would die without food banks and soup kitchens and the food security programs that are springing up in communities all across Ontario. This isn't because they lack budgeting skills or are frivolous with their money; it's because they don't get enough money in a month to allow them to eat every day.

People with disabilities who've managed to navigate the treacherous application and adjudication process to get on ODSP are initially thrilled at the increase in their income. A single person goes from \$560 a month on Ontario Works to \$999 a month on ODSP, but after the initial few months of that, they realize that's not very much money. Relatively, it's a lot more than Ontario Works, but in the big scheme of things it's still thousands of dollars less than the poverty line, on an annual basis.

Our primary message, which I really think is the most important message that you're going to hear and you really need to take it to heart, is that social assistance rates need to be increased substantially. I don't know that 40% is possible, but clearly it's necessary. It has to be double-digit amounts. These 2% increases are 2% of too small an amount.

There are many other issues that have been touched on and will be in other presentations. The minimum wage needs to be increased to \$10 an hour. In 1976, the minimum wage was only about 9% less than the poverty line for a single person; today, it's more than 30% less than the poverty line. So if you're working full-time on minimum wage, you're at 30% less than the poverty line.

Affordable housing is a crucial issue. The lack of stable, affordable housing is a serious problem for low-income residents in Ontario. We're delighted, again, that the Premier has indicated that you're serious about the

anti-poverty strategy and that the government recognizes that an affordable housing policy would be a cornerstone of the anti-poverty strategy. But according to recent figures released by CMHC, there are currently 123,000 low-income households across Ontario on the waiting list for subsidized housing. So the provincial government needs to put pressure on the federal government to develop a housing strategy and release additional funding. It's also essential that the provincial government move ahead regardless of the involvement of the federal government. We cannot wait for the federal government to act.

We appreciate the opportunity to provide our input to you. We recognize that you have numerous competing demands as you determine your recommendations for the budget for the province, but we urge you to remember the most vulnerable citizens in Ontario in your difficult budgeting process. Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government. Mr. Leal.

Mr. Jeff Leal: Thank you very much for your detailed submission today. I want to follow up on something you said about the government of Ontario putting pressure on the government of Canada to resolve a number of issues. One of the ones I am sure you're very concerned about is the fact that unemployed workers in Ontario, under the EI formula today, receive \$4,000 less in benefits than people in other parts of Canada. That is so significant, certainly in a place like Thunder Bay, that has seen a dramatic impact on the forestry industry for a variety of reasons—energy costs, appreciation of the dollar. Part of that \$4,000 gap, of course, is training dollars that rightfully belong to Ontario to invest back in communities. So if I could just get your comment—I think you've got a federal Conservative MP in this area, Mr. Comuzzi—on whether your group and several of your associate groups this morning that have made very detailed presentations are putting pressure on Mr. Comuzzi to make sure that Ontario gets its fair share, that Ontario is not discriminated against under this EI formula.

Ms. Sally Colquhoun: There are many problems with the employment insurance scheme. The fact that there are billions and billions of dollars of surplus that are paid into the program by workers and employers that just go into the general revenue of the federal government rather than being paid to unemployed workers is terrible. The fact that unemployed workers in Ontario receive fewer benefits than in other parts of the country is also very discriminatory, and it is something that has been brought to the attention of our local Conservative member of Parliament.

Mr. Jeff Leal: Thank you so much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

CITY OF THUNDER BAY

The Chair (Mr. Pat Hoy): I call on the city of Thunder Bay to come forward, please. Good morning. You have 10 minutes for your presentation. There may

be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Ms. Lynn Peterson: Thank you. Good morning. My name is Lynn Peterson and I'm the mayor of the city of Thunder Bay. With me I have brought a friend, Michael Power, who is the vice-president from Thunder Bay Regional Health Sciences Centre, because we have some requests around research and innovation in northern Ontario and he would be the guy to answer the questions for you.

I would like to first take the opportunity to thank you for being in the city of Thunder Bay. The weather's not always this cold; I'll let you know that.

I would like to say to you, as you are no doubt aware, that the northwest region has a struggling economy due to the ongoing crisis in the forest industry. While we have gone to great lengths to develop strategies to address and enhance our economic development, support from the provincial government is critical.

We have some issues. The Ontario Power Authority recently completed a report to identify power levels throughout the province and to develop an integrated power system plan, the IPSP. A key element of the IPSP is the implementation of the government's decision to eliminate coal as a fuel for generating electricity, but the OPA plan does not provide adequate replacement to generate and ensure that northwestern Ontario has a stable supply of power come 2014. The NOMA energy task force, the town of Atikokan and the city of Thunder Bay are all actively intervening with the Ontario Energy Board's review of the OPA integrated power system plan and asking that it be sent back to the drawing board to arrive at a comprehensive plan for the region. Immediate action is required to protect the northwest from a real potential loss of our industrial energy base.

We are requesting that the Ministry of Finance consider the financial implications that would result due to a lack of energy in the northwest. Not only will this impede our ability to sustain the industries currently operating in the northwest, it will have a detrimental effect on our capacity to expand our economy. One way to assist is to conduct research on the ability to use clean coal technology. We request that the Ministry of Finance provide funding specifically allocated for Ontario-based research into how all emissions from coal as a fuel can be reduced and eliminated, or at the very least sequestered, including CO₂.

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The government committed funds to the Atikokan generating station to research and develop alternative fuels for use at their station. An additional allocation for a research program at the Thunder Bay station is also required. The city of Thunder Bay requests that the province of Ontario extend an opportunity for the generating station in Thunder Bay to research alternative fuel options.

While we appreciate the provincial government's investments in our community, a great deal more needs to

be done to ensure that Ontario municipalities are liveable, sustainable, and competitive in the national and global marketplace. There is an urgent need to address the provincial-municipal fiscal imbalance and the resulting municipal infrastructure deficit.

According to StatsCan, Ontario property taxpayers pay \$237 more per person for municipal property taxes than the rest of Canada, while the government of Ontario pays \$258 less per person on health and social services than the rest of Canada. Clearly, municipal taxpayers in Ontario subsidize the provincial treasury by well over \$3 billion a year for provincial health and social service programs. These costs need to be uploaded where they belong, to the provincial level. The bottom line is pretty clear: Municipalities need to be free to use the municipal tax base for municipal services and capital expenditures.

I also want to talk about payments in lieu of taxes. Those are paid to municipalities in respect of real property owned and occupied by the public sector. As property owned by the public sector is generally exempt from property taxation in accordance with the Assessment Act in Ontario, payments in lieu of taxes was developed as a means to provide some revenue to municipalities. Public hospitals, universities, colleges, correctional institutions and airports fall into this category. The province of Ontario has not updated the rate on any regular basis. This source of revenue does not keep up with inflation. For example, the maximum levy amount to certain institutions is \$75 per unit capacity. The rate has been in place since 1987. Since 1987, the CPI has increased approximately 45%. The city of Thunder Bay requests that the province of Ontario adjust the per capita and capacity-rated payments in lieu of taxes annually to recognize the rate of inflation—1987; it's been almost 30 years. It doesn't make any sense at all, and it's not fair, quite frankly.

Another item that, if it were resolved, would go a long way in stabilizing Ontario's manufacturing sector is the establishment of a Canadian content policy or legislation. Canada is one of few countries in the world that does not have a local content policy in place for all infrastructure projects using public funds. Canadian manufacturers are at a distinct disadvantage pursuing contracts in other nations, and they have no particular advantage at home. The hard reality is there is very little preventing foreign suppliers from winning Canadian contracts with Canadian taxpayer dollars and then taking the work offshore to benefit regions in other countries.

The Assistant Deputy Minister of Trade Policy and Negotiations and chief negotiator for the World Trade Organization with International Trade Canada—and I note that because there have been questions, I thought I'd answer it—advised that the decisions provincial governments take on how to structure their procurements are not subject to any international trade rules governing government procurement.

The city of Thunder Bay requests that the Ministry of Finance recognize the economic development opportunities of a Canadian content policy and support its imple-

mentation. Furthermore, we request that the ministers and caucus members support Mr. Bill Mauro's private member's bill pertaining to Canadian content. We believe it's critical that this be passed into legislation.

I'm going quickly, but I would like now to turn the presentation over to Michael Power, who is the vice-president, regional cancer and diagnostic services at Thunder Bay regional health sciences centre, to discuss research and innovation opportunities in Thunder Bay.

Mr. Michael Power: Good morning to everyone. Thank you, Mr. Chair. I first of all would like to applaud the government for the investments in the new Molecular Medicine Research Centre. As many around this table know, we will soon be home to one of the top five molecular medicine research centres in the world, certainly within the Phillips GlobalResearch family. This isn't something that has just happened overnight. It is a result of vision on the part of our mayor, other community leaders, the Premier and past Prime Ministers.

We are home to Canada's newest medical school, Northern Ontario School of Medicine, home to the newest and most robust cancer centre, and we've recently received approval and funding to become Canada's newest academic health sciences centre. I put all of that in context so that you appreciate that there is a growing knowledge economy certainly in the area of health sciences here in Thunder Bay and northern Ontario.

Knowledge-based innovation certainly is one of the main engines in a long-run regional economy and a long-run regional growth. By most measures, regions that have seen the greatest economic growth since the early 1990s, both in North America and globally, are those that have made critical investments in research and innovation in the knowledge-based economies of life sciences. In fact, *BusinessWeek* in July reported that the US economy since the year 2000 has only grown in the life sciences areas.

Thunder Bay and northern Ontario are in an advantageous position to build upon the convergence of key components of this exceptional regional capability in medical research, and specifically clinical medicine: The building of the state-of-the-art Thunder Bay Regional Health Sciences Centre, now a quarter-billion-dollar company here in Thunder Bay and the largest employer in northwestern Ontario, the creation of the Northern Ontario School of Medicine, the establishment of the new Cancer and Cardiac Research Centre and other facilities, personnel, are bringing momentum to build Thunder Bay as a new world-class leader in the area of medicine.

Recent investments in research and training have also helped to establish the foundation of health sciences innovation in northern Ontario. By investing in a system of innovation aligned with the Ministry of Research and Innovation and their strategic priorities, connected to Industry Canada and their strategic priorities, we will ensure that economic investment will catalyze job creation, it will attract innovation-based industry—Phillips being a great example, investing \$11.2 million here in Thunder Bay right now—and improve access to

the latest advances in evidence-based health care. By continuing to invest in an environment that nurtures and attracts high-tech industries, northern Ontario will build an economic base to stimulate excellence in academic health sciences over the longer term.

We believe it is imperative that the government of Ontario provide assistance now in two ways. It would be extremely beneficial if the Ministry of Research and Innovation and your government were to consider the appointment of a new Deputy Minister of Research and Innovation to be based out of northern Ontario, and specifically here in Thunder Bay. They would be a part of the Ministry of Research and Innovation, but focus on the northern Ontario strategy and the northern Ontario platform as they pertain to building out research and innovation in this province. A position of this magnitude would promote the abilities and champion our area of research and innovation specifically, again, in northern Ontario.

Secondly—

The Chair (Mr. Pat Hoy): You have about a minute left.

Mr. Michael Power: Thank you.

Secondly, the establishment in funding for the Ministry of Research and Innovation would provide the ability to further capitalize our success, and of the more than \$300 million that's now invested through the Ministry of Research and Innovation, we are asking for \$50 million to be allocated to northern Ontario research and innovation strategies.

As I close, I would also like to make a pitch on behalf of the president and vice-chancellor of Lakehead University for his NORD 21 research facility. The translational research capacity at Lakehead is necessary; this facility is necessary. He has addressed this with government, the total project is \$35.2 million, and his specific funding request of the Ontario government is \$20 million. Thank you.

The Chair (Mr. Pat Hoy): Thirty seconds.

Ms. Lynn Peterson: I have two other issues that I'll leave with you. The crown in this city—we have some elevators that have escheated to the crown. The crown is not taking care of them and they're a danger to this community. We believe that the crown needs to take some responsibility for the buildings they own in other communities and make sure that, at the very least, they're safe. We're talking about some elevators here. You can ask me about them later.

The other thing is the whole issue of raffle licensing. The cap has been \$50,000 forever. We do the work. Before, we could get at least some money back to pay for our staff's time. That cap hasn't been changed in years. Our staff are still doing the work and we're getting no money back to actually even pay for our staff time. The money is going to the government.

I would have gone longer, but I'm sure you can read everything we've said. Thank you.

The Chair (Mr. Pat Hoy): Thank you both. This round of questioning will go to the official opposition.

Mr. Toby Barrett: Thank you for the presentation. Mayor Peterson, since we've been up here, we've been hearing and reading a lot in the media about the goings-on in Thunder Bay and plans and searching for alternative activities on the waterfront and what have you.

1040

You led off with your concerns with respect to energy and electricity. We do know that originally Thunder Bay and Atikokan were to have been closed, actually 24 days ago, in 2007, along with the Nanticoke and the Lambton plants in southern Ontario. That did not happen. The target was moved to 2009; then it was moved to 2014. I don't know when those plants will be closed.

A gas pipeline was being constructed to the Thunder Bay plant. What happened to that?

Ms. Lynn Peterson: That's no longer happening.

If you read the OPA report, it says, and I can almost quote it, that if the plan goes through, once those closures are done, the city of Thunder Bay will not have reliable energy for what exists today. We know that we'll be short. Iain Angus is here, and I'm sure he's going to talk to you this afternoon about the shortage that is predicted. We're talking about putting mills and industry back online and expanding. If the plan, as it sits, admits that we're not going to have reliable energy for what we have today, how in heaven's name are we going to expand this community's capacity to run any more industry? So our request is that the OPA go back to the drawing board, carve that piece off and actually take a look at northwestern Ontario and its needs.

Mr. Toby Barrett: You mentioned that one option is to rely on coal from the United States, and I see that your brief mentions North Dakota. As far as the line from Manitoba, I have read that the federal Conservatives have earmarked money for that. Is the Ontario government moving forward on that?

Ms. Lynn Peterson: Councillor Angus can help, but I believe that the OPA report said that the 22 miles between the two terminals would require \$92 million in a four- or five-year lead-up.

Once again, I'm saying that we need to go back to the drawing board for northwestern Ontario to make sure that the environmental goals are reached but without leaving a part of the province without adequate energy. If the plan includes not having adequate energy, then by virtue of that comment, it needs to go back.

Mr. Toby Barrett: Just briefly, I think you mentioned biomass. The finance committee visited Atikokan maybe two years ago and there was talk of rail haul of wood waste to Atikokan—perhaps Atikokan as a pilot project. I think you talked about alternate sources of energy. Is anything further happening on that? There's an awful lot of wood around here.

Ms. Lynn Peterson: This is Councillor Angus, and they're going to do a presentation for you this afternoon on energy, and you may want to ask it then because they've got all the answers.

Mr. Tim Hudak: Your Worship, it's good to see you again. Thanks for the presentation, Mr. Power. It's a very comprehensive document.

I'm just looking at the appendix. There's a lot of material here for the committee to consider. You mention that Thunder Bay has seen 2,000 manufacturing jobs disappear in the last five years, and that has resulted in a 23% reduction in your industrial assessment. This must put tremendous pressures on the rest of your municipal tax base.

Ms. Lynn Peterson: Correct.

Mr. Tim Hudak: Do you have advice in terms of job creation? What's your best advice to the committee to help stimulate the economy in the Thunder Bay area?

Ms. Lynn Peterson: We have put together a community economic development commission that is pursuing different areas, the oil sands being one of them, quite successfully in terms of manufacturing in Thunder Bay. Certainly there has been movement in the forest industry looking at value-added products. The exploration side of mining in northwestern Ontario is actually booming. The knowledge and education and research and innovation agenda in Thunder Bay has absolutely not only taken hold, it is moving very quickly, which is why—recognizing that it is the fastest-growing economic engine in the northwest and particularly for the city of Thunder Bay, given our experience in attempting to get research and innovation money into the north—we're asking, not for an increase in the MRI bucket but to make sure that \$50 million out of that \$312-million budget for research and innovation is allocated to northwestern Ontario. We can understand that there's a process; we're not asking MRI to change their process. We're asking them to find a different type of model to work with the Ministry of Northern Development and Mines because, as you know, there's a northern plan being developed and we think that it should all work together. But it's really critical for us to make sure that \$50 million of that money is allocated for research and innovation in northern Ontario, and it's critical for us that we have a deputy minister situated in Thunder Bay because we need a champion.

The Chair (Mr. Pat Hoy): Thank you for your presentations.

THUNDER BAY HEALTH CARE COALITION

The Chair (Mr. Pat Hoy): Now I call on the Thunder Bay Health Care Coalition to come forward. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for our recording Hansard.

Ms. Barbara Maki: I'm Barb Maki. I'm co-chair for the Thunder Bay Health Care Coalition. This is Sara Williamson and this is Doris Meredith, our resource person in case you guys have any mental health questions.

The Thunder Bay Health Care Coalition is a non-partisan group committed to maintaining and enhancing our publicly funded, publicly administered health care

system. This is the first time that as a coalition we are making a submission to the Ministry of Finance. It has been a good exercise to compile our issues and the local impact from a funding focus. Thank you for creating this opportunity. Due to time constraints, this document is missing some areas that deserve attention.

The first thing I'm going to touch on is competitive bidding. Recently, the McGuinty government started up competitive bidding again after a moratorium of several years. If this goes through, the nurses will be laid off through no fault of their own. Patients will lose their caregivers. Whichever company wins the bidding will look to hire the laid-off staff, who will have to start again in terms of seniority and time off. Patients will have to deal with the loss of continuity of care. It is expected that many nurses will leave the sector for good, worsening the already existing home care shortages.

To help resolve the continued acute care bed crisis, we need to assign the same priority to the frail elderly and provide them with the resources they need to return home. We need to have a high priority to have people return home and live independently in the community. If we identify frail elderly in the community and provide intervention it would and should significantly reduce the number of hospital admissions, essentially freeing up the much-needed acute care beds for potential clients in the system. In keeping with a government promise to ensure that Ontarians who are receiving home care services get the highest-quality services possible, the McGuinty government announced yesterday it is stopping the awarding of the home care services contract in Hamilton and surrounding areas. This decision will halt the bidding process. Recent changes to the process were expected to enhance the continuity of care. The changes were intended to create stability and we were definitely disappointed with how the current process was unfolding.

The next thing I'm going to touch on is the not-for-profit health providers. These organizations are respected and recognized not only for their dedication and commitment to quality care and service delivery but also for the active and integral role they play as employers, supporters and contributors to their local communities. Not-for-profit organizations exist for only one reason: to provide high-quality services for consumers. Any surplus income is used to improve facilities or expand services. They respond to and grow out of the communities they serve. Non-profit organizations have a direct line of accountability to their board. Consequently, use of funds can be tracked.

Not-for-profit homes for seniors: Long-term-care municipal beds have been lost in Thunder Bay because our city council didn't want to have to heavily subsidize the ongoing operational costs. Without the hue and cry from the community, many of those beds could have disappeared entirely from Thunder Bay. They could have been taken up by a for-profit corporation intent on making a profit, siphoning off health care dollars from our town and province. Fortunately, political will was marshalled and this summer funding plans for the St.

Joseph's Care Group Centre of Excellence for Integrated Seniors' Services was announced. This will mean not only a new long-term-care home but also supportive housing facilities and additional investment in related community services.

Long-term-care minimum care standard: As a province, we must demonstrate our compassion and commitment to quality of care, and more generally quality of life for our frail seniors by observing as a core maxim: "Do no harm." To permit preventable adverse outcomes, whether in terms of care not provided or inappropriately or inadequately provided that threatens the health and safety of residents as the work environment threatens the health and safety of care providers, is simply intolerable.

1050

Ontario is suffering from a growing care gap. We are falling behind a continually rising Canadian average for care provision. In 2006, Ontario only provided a total of 3.8 hours per resident per day in long-term care, according to Statistics Canada. This compares quite unfavourably to the 4.7 hours in total care provided as a national average. The abandonment of a minimum staffing standard by the previous government resulted in a plateau effect, remaining constant in Ontario after 1999, while care steadily increases on a national average.

A minimum staffing standard is required to avoid adverse outcomes. Inadequate staffing clearly leads to adverse resident outcomes and compromises resident and worker safety. With violence against staff becoming an everyday occurrence in Ontario, this would be the essential first step to enhancing organizational capacity and improving quality, yet a low standard is almost no better than no standard at all. Ensuring a robust minimum standard will lead to increased staffing by all but the highest-staffed homes. Frail seniors in Ontario long-term-care homes deserve no less than the staffing adopted by other provinces such as Manitoba and Alberta, which have announced a 3.6-hour standard.

We recommend that we replace the competitive bidding for home care by collaborative proposal development with existing local providers. Although the provincial consultant's recommendations are not yet out, contingencies for the cost of a 3.5-hour minimum-care standard must be included as part of the 2008-09 budget to sustain long-term-care homes. We recommend that, in the new fiscal year, new standards for long-term-care homes be developed and that the costs that entails be estimated. Building design will need to consider efficiencies and chronic-care technology and age-appropriate unit homes. We recommend that the government augment funding for front-line mental health jobs, including those in the resource-strapped community health services.

Ms. Sara Williamson: The remainder of the brief touches on four areas: health determinants, aboriginal health access centres, people with disabilities, and mental health.

You have heard and will hear from many stakeholders about health determinants needing more funding, health

determinants including housing, income, education, women's rights, anti-racism and healthy childhoods. All of them do need funding.

For primary health care, aboriginal health access centres and community health centres both operate a community-based model of health care delivery worth emulating, yet aboriginal health access centres like Anishnawbe Mushkiki in Thunder Bay do not receive equity in operational funding. This should be rectified.

Under the funding needs for people with disabilities, we talk about more funds for supportive services, housing and accessibility. We remind you that accessibility involves ongoing supports, not just mobility-accessible buildings. We also discuss the costs to the health care system of workplace injury and recommend that all these costs be paid by the employer through WSIB.

Mental health is a big issue. The brief describes five priorities for mental health funding. The numbering is not a ranking order; all are important. The right to housing and income security for people with mental illness is as true as it is for other vulnerable groups. The government should be ashamed for not raising OW and ODSP rates to a livable income. We note too that the retention and recruitment of mental health workers will be difficult until there's more job security and the wage inequities between hospital and community mental health workers are addressed.

Regarding the services themselves, no front-line services should be cut; in fact, more should be added. Examples of needed new services are funding for alternative business programs so people can gain work-readiness skills, earn an income and know how to find a job in the competitive labour market; funding for psychological services for staff and residents in long-term-care homes; and paid peer-support specialists to work in the mainstream mental health system to support recovery. The government pays lip service to the idea of training and employing "people who have been there"; it's time to put word into deed.

Lakehead Psychiatric Hospital here in Thunder Bay will be closed, and there are two concerns about that. The first concern is that there will be fewer psychiatric beds in Thunder Bay. The second concern is that although more psychogeriatric beds will be downloaded to long-term-care homes, there's no guarantee of a transfer of funds for this intensive care.

Turning to another area, forensic programs and positions are a current funding priority. Court diversion is a great option, and there are increasing numbers of court diversion positions in Thunder Bay and northwestern Ontario. This is welcome and necessary. Don't forget, however, that the court-based programs divert people back into the resource-strapped community mental health services. Someone made an observation to the effect that when psychiatrists, psychologists or social workers ask for more funding for mental health services it seems self-serving, but when law enforcement asks for that funding, people sit up and listen. Ideally, the point of access to assessment and treatment should not be primarily through

the criminal justice system. How can stigma about mental illness be alleviated when funding focus is driven by criminal law enforcement rather than an inclusive approach that incorporates prevention and early community-based treatment of mental illness?

Our brief focuses on funding gaps but we're pleased with many of the improvements that have occurred in health delivery such as reduction of waits for cataract surgery, more surgeries in rural hospitals, creating more direct consultation links with the francophone community and First Nations, and the development of health information and communication technology infrastructure. Nevertheless, the gaps we have discussed demand a response. We would very much like you to advance this message. It's all about medicare, public health and accessibility.

The Chair (Mr. Pat Hoy): Does that conclude your brief?

Ms. Barbara Maki: Did we get in under 10?

The Chair (Mr. Pat Hoy): You have half a minute left, so you did. You did very well. We'll go to the round of questioning with the NDP. Mr. Prue.

Mr. Michael Prue: You've made so many recommendations; I've only got five minutes and you've only got five.

Ms. Barbara Maki: It's a long list.

Mr. Michael Prue: It's a long list, but I had an opportunity while you were speaking to try to read some of the brief here. You make a rather puzzling statement to me. This is about making housing a right. You state, "It comes back to the need for more funding from all levels of government, including the province. Please don't say that you can't do anything until the federal government steps up to the plate."

The federal government stepped up to the plate and gave all the provinces money. This was the only province in Canada that did not match the funds; in fact, from the Wellesley Institute, the only province that spent nothing or less than nothing on housing over the last term. I'm just wondering why you're—

Ms. Barbara Maki: What portion was that out of? Mental health?

Mr. Michael Prue: I'm just wondering, are you telling the government—

Ms. Sara Williamson: We just don't want any buck-passing. That's basically what we're saying. Every time the situation shifts a little, then somebody says, "Oh, well, that's somebody else's responsibility." We're just saying that the housing is needed, the province can do something about; do it.

Mr. Michael Prue: When the federal government gave the province money in the last term of this government, they took the money and they built very little affordable housing. In fact, freedom-of-information requests finally revealed that 268 units of what can truly be classed as affordable housing were built in four years. How many affordable housing units do you need in Thunder Bay alone?

Ms. Sara Williamson: For low income there's a real deficit. I don't have a quantifiable figure for you on that. It's also coupled with the need for funding for supportive services in a lot of cases. I don't have the figure for that. I would hope that the homelessness and housing coalition has some of those figures and will be submitting them.

Mr. Michael Prue: You talked as well—and we've heard other people today—about Ontario Works and ODSP rates. You say that you want to increase them to the real cost of living. We had one presenter suggest that's about 40%; we had another one say that may not be realistic but is looking for double digits. What are you looking for? This is the finance committee; we have to recommend a number for the program.

Ms. Sara Williamson: I think we would go with—yes, it's definitely a double digit. We've fallen so far behind. That can be done now, increasing those rates. There is the poverty reduction strategy that's being initiated, I believe, by the province. But meanwhile, I think that we could at least get those OW and ODSP rates up to something livable. The Kinna-aweya economic justice committee's presentation I think said it all.

1100

Mr. Michael Prue: You were talking about the competitive bidding. Unfortunately, we've been on the road and I haven't heard what happened in Hamilton. I know up until last week it was a bloody mess.

Ms. Barbara Maki: Actually, they announced it.

Mr. Michael Prue: They made an announcement.

Ms. Barbara Maki: They have halted the—

Mr. Michael Prue: They have halted it. Have they said they will halt that elsewhere in the province or just in Hamilton?

Ms. Barbara Maki: As far as I've heard, just there at this point.

Mr. Tim Hudak: There's a moratorium province-wide.

Mr. Michael Prue: So it's a moratorium province-wide. Okay. Do you believe that this has served any benefit? It has been a disaster in my own community. Has this policy served any benefit anywhere in the province up until the moratorium of yesterday?

Ms. Barbara Maki: The competitive bidding process?

Mr. Michael Prue: Yes.

Ms. Barbara Maki: No. Actually, if you look at some of the numbers from the CCAC, the cost of home care visits increased significantly. I think it was possibly 42%. So the cost increased when they introduced this competitive bidding process. Also, they experienced quite a shortage in the service—RNs, RPNs who provide the service. So I don't see that it's been beneficial at all.

Mr. Michael Prue: So would you call upon the government to scrap this program altogether?

Ms. Barbara Maki: That would be lovely.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

THUNDER BAY PUBLIC LIBRARY BOARD

The Chair (Mr. Pat Hoy): I now call on the Thunder Bay Public Library Board to come forward, please. Good morning. You have 10 minutes for your presentation. There could be five minutes of questioning. I'd ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Charles Campbell: Thank you, Mr. Chair, honourable members. My name is Charles Campbell and I'm the chair of the government liaison committee of the Thunder Bay Public Library. With me today is Gina La Force, our chief librarian and CEO.

We're here today to address funding issues as they relate to Ontario's public libraries, more specifically libraries in northern Ontario, including those of the Thunder Bay Public Library.

The mandate of the public library is to facilitate community and individual development using the power of information in all its forms to enlighten our citizens, engage our communities and enrich the cities we serve. We believe that the number one challenge for Ontario, and for the northwest in particular, is its transition to a knowledge economy. The Thunder Bay Public Library, like other libraries, is actively engaged in helping our community in its journey to this new world—a society where literacy, a culture of lifelong learning, access to information and high-speed telecommunications, as well as the ability to use information technology, are all critical to social and economic success. While we serve all members of our community, our focus is often on those who might not otherwise have access, those who would be left behind in this emerging economy, including the unemployed, new Canadians, aboriginal people, youth and older adults.

The residents of Thunder Bay have demonstrated their belief in the value of our public library through their increased use of our facilities and services. In 2006, overall use was over 2.7 million transactions. This represents an increase of over 60% in the last four years. Online use obviously continues to grow, with almost 400,000 visits to our website in 2007, up 44% from the year before. Not only are patrons using our virtual resources, they are also using our local branches, with two thirds visiting the library at least every two weeks. The trend to increasing use is being experienced at libraries across the province.

The Thunder Bay Public Library's strategic competitive advantage within the knowledge economy includes our mandate as a public information provider; high public trust; use by all community members and organizations; our extended service hours; staff expertise in helping people navigate an increasingly complex information environment; and a wide range of partners including the chamber of commerce, local school boards, literacy organizations and the province of Ontario.

Our relationship with the province of Ontario has mutual benefit. As a depository for government publications, public libraries serve as an efficient and effective

means of disseminating provincial information. We also provide access to programs like Service Ontario, allowing citizens to access government services online.

Public libraries also support provincial priorities such as ensuring Ontario's aboriginal and northern communities have the same opportunity as other Ontarians to access information, helping address the root causes of poverty by supporting literacy in children and adults, as well as our role in helping people to make the transition to the knowledge economy.

In return, although public libraries are funded primarily by the municipalities they serve, the province has long recognized a provincial interest in public libraries through the Public Libraries Act. This act, among other things, acknowledges that libraries represent a public good and requires libraries to provide basic services without any charge. In return, the Ministry of Culture provides an annual operating grant.

In 1994, the grant that we received was \$367,886, representing about 8.6% of the Thunder Bay Public Library Board's budget. In 2007, the grant was \$220,000, just over 4% of the \$5.1 million that we require to operate our library system. While a 40% cut took place in the mid 1990s, the operating grant has been flatlined since 1997. The missing \$147,000, approximately, has had a small impact on the provincial budget but equates to about one third of the funds we have available annually to purchase material for our collections.

The Ministry of Culture has compensated in part for the loss of this program by funding additional funds through one-time grant programs, like the library service development fund. We appreciate this, but one-time project funding does not replace the reliable operating dollars needed to provide sustainable service.

Public libraries are fiscally responsible, innovative and accustomed to stretching our resources to provide the best service possible. The taxpayer should expect nothing less. Nevertheless, this erosion of base funding has downloaded costs to municipalities already struggling with fiscal challenges. It has also eroded the library's ability to provide service at a time when use has been increasing dramatically in response to the needs of communities, especially northern communities, hit by an economic downturn and the ongoing decline of employment in our traditional, resource-based economy.

We urge the province to renew its commitment to public libraries by increasing the operating grant to better reflect its covenant with public libraries and to reflect the value we bring to the citizens of this province.

Our other concern is the public library's aging infrastructure. The buildings owned by the Thunder Bay Public Library are between 50 and almost 100 years old. The last time they were expanded was 35 years ago, when there were no PCs to house and no Internet to provide access to. While the library has endeavoured to maintain its infrastructure with support from the city, all of our libraries have significant problems, ranging from a lack of accessibility to inadequate electrical systems and HVAC systems well past their lifespan. The Thunder Bay

Public Library has recently completed a 20-year business case for facilities renewal. The investment required over the life of the plan is in the range of \$37 million in 2008 dollars. Our project will renew and modernize our aging facilities, ensuring that they are accessible and energy-efficient. Equally important, our buildings will be better positioned to reflect the way 21st-century libraries are used, with more meeting rooms, study areas and adequate space for computers.

Nipigon and Fort Frances have recently benefited from significant provincial economic stimulus grants that have been applied to renewing library buildings. In the case of Fort Frances, the grant amounted to \$1.6 million. That's a good thing, for sure. It's an exciting and positive event for these municipalities. It recognizes the importance of public libraries to the fabric of their communities. However, there is no formal grant program for library renewal. We urge the province to develop an infrastructure program to help communities replace, expand and renovate their public libraries.

The Thunder Bay Public Library is committed to being part of northwestern Ontario's economic and social renewal and to continue contributing to the provincial priorities. We are convinced that renewed economic vitality depends on building human, social, institutional and physical capital. We ask the province of Ontario to recognize our role in building community and the knowledge economy by reinvesting in the library system in the 2008 budget.

Thank you for allowing us to present.

1110

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government. Mr. Arthurs.

Mr. Wayne Arthurs: Charles, thank you for your presentation this morning, and Gina, thank you for the work that you're obviously doing with your staff on behalf of constituents in Thunder Bay. I must say the success story is remarkable and well worth recognizing: some 60% increase in the use of the system over the last four years, a 44% increase in visits to your website in a one-year span. Obviously, people are interested in the library system; they're interested in getting information. What are some of the things you're doing that are driving that type of change?

Ms. Gina La Force: That's a huge question. I think one of the most important things is that public libraries are very strategic in what they do. We keep very closely in touch with our community, and so we are providing the information that our community values. When the residential school settlement was announced by the government, it was up on our website that day. So people know that we are a reliable source of information. We survey our public. We talk to people in the libraries. I think we're reaching the needs of our marketplace, and our marketplace is responding. There's a great hunger for information in the knowledge economy.

Mr. Wayne Arthurs: Do you partner a lot with the business community as well?

Ms. Gina La Force: Yes, we do. We have partnerships with the chamber of commerce, and this year we intend to do more in terms of contributing to economic renewal in the city. We have begun doing information sessions at groups such as PARO, which helps fledgling entrepreneurs find the information they need. When I walk up and down the main street of Thunder Bay and talk to business people, they say, "That's where I went when I needed my market information."

Mr. Wayne Arthurs: With your specific ask for an increase in the base funding, what type of a number are you looking at?

Ms. Gina La Force: We're looking, at the very least, at restoring the government funding to its original level. That's \$147,000 in our library, and then I think you'd have to have the ministry calculate the numbers across the province. Clearly, we would like to see a greater increase, because we do really believe we are aligning with the province in its priorities. There are grant programs, but they do not replace base funding. So we'd start with what we've lost, and clearly we'd like to go from there.

Mr. Wayne Arthurs: Chair, is there time left?

The Chair (Mr. Pat Hoy): Yes, we have two minutes left. Ms. Aggelonitis.

Ms. Sophia Aggelonitis: You mentioned that the buildings owned by the Thunder Bay Public Library are between 50 and almost 100 years old. How many buildings are we talking about?

Ms. Gina La Force: We have four buildings in total, three of which are owned; one is a leased facility. So we are talking about the three buildings that we own.

The Chair (Mr. Pat Hoy): Mr. Leal.

Mr. Jeff Leal: As a person who, during my municipal career, sat on the Peterborough library board, I always know the challenges. My first question is, are there council members from the city of Thunder Bay who sit on your board?

Mr. Charles Campbell: We do have one of our council members who sits as a member of the board.

Mr. Jeff Leal: You talked about facilities renewal. With the \$300-million infrastructure program—certainly library renewal and public buildings are eligible under that—I wonder if you've put pressure on the rest of the colleagues on Thunder Bay city council to make library facilities renewal one of the priorities for possible funding for a new building or buildings.

Mr. Charles Campbell: The current council is indeed looking at our renewal plan as part of their capital plan; the degree to which we've been successful at engaging them in putting it at the top of their priority list we'll know, I guess, in two to three weeks, as we go through the hearing process municipally. We certainly believe that there is a lot of appreciation for the importance of the system at council; we've certainly been told that. However, we've got aging resources right across the entire city and across the region and across the province, so where our priorities fit in—we'll have to obviously stack up with a number of others. We'd certainly like to be in a

position where, when we talk to our council about where we want to go, we know there's some formal matching funding process, because we know very well that when you can leverage additional partner dollars, everybody wants to come to the table a little faster. So a capital grant program might make it easier for us to work with our friends at council as well.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION

The Chair (Mr. Pat Hoy): I call on the Ontario Secondary School Teachers' Federation, district 6A, to come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There may be five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Terry Hamilton: Thank you. My name is Terry Hamilton and I'm the district president of Thunder Bay district OSSTF.

Mr. Brian Church: My name is Brian Church. I am the district president of district 5B of OSSTF, Rainy River.

Mr. Terry Hamilton: Good morning. I'd like to thank the committee members for providing this opportunity for us to have some input into the government's pre-budget deliberations. I just wanted to mention before we start that Brian is here with me today because we wanted to bring a flavour of both the largest city in northwestern Ontario and the difficulties that we face along with an area from outside of Thunder Bay and the region and some of the different challenges they have around education and educational financing. By the way, Brian and I are both physics teachers, but please don't hold that against us.

Mr. Tim Hudak: I still hold a grudge.

Mr. Terry Hamilton: A lot of people do, strangely enough.

I think that all citizens of Ontario would agree on what we want from our schools. We want our children to be safe, successful and happy, and we believe that school can be an important part of this. The majority of our students are successful in following this path. However, for a minority of students this can also be a rocky and difficult path for them. We want to really focus on those students especially. Hopefully, some of our recommendations may allow some of our students to achieve the goal of becoming healthy, productive and fulfilled members of society.

Mr. Brian Church: School boards in northwestern Ontario are suffering a continued decline in enrolment. One cause of this decline is the loss of jobs in the forest sector. Mill closures and cutbacks have a severe impact on many communities, and without these job opportunities young adults are leaving.

The shifting demographics and loss of young families in search of employment have resulted in fewer students

in our schools. With fewer students, the school boards receive less funding, which results in less money for supplies, less money for equipment, less money for staffing and particularly less money for supports for students with special needs.

Since 1998, school boards have not been able to raise money through local taxation but have been using the funding formula driven by the number of students enrolled. While the idea to create more equity in school funding across the province is laudable, treating boards equally does not always lead to more equity in the education delivered to the students.

With less money coming into school boards, and with many boards operating below their rated capacity, school boards have been forced to close some schools. These closures have torn apart communities built around school life, causing impacts greater than the mere loss of a building.

In Thunder Bay, the Lakehead District School Board was forced to close two of its six secondary schools. Meanwhile, other school boards, such as Rainy River, have buildings separated by large distances, ranging anywhere from 50 to 200 kilometres apart. Due to geography, these schools are forced to remain open but experience difficulty offering programs for all students.

With the recent changes to the distance schools grant from eight kilometres between schools to 20 kilometres between schools, boards with rural schools will see a further decrease in their funding. The loss of the local priority amount has dramatically reduced the flexibility of school boards, restricting their ability to make up for declining enrolment. We recommend that the local priority amount be reinstated to increase the flexibility of school boards.

Special education supports have also been reduced because of the loss of funding caused by declining enrolment. To reduce the amount of paperwork done by special ed teachers, the ISA grants were frozen at each board's current level several years back. That number has remained constant; however, with decreasing enrolment, the dollar amount that the boards receive will go down, and when the dollar amount goes down we may still have a great need for these supports; we may have a population that requires special ed support. So fewer of our special-needs students are receiving the support they need. We recommend that there be a base level of funding provided to boards for special education to protect against the effect of declining enrolment.

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Mr. Terry Hamilton: Another demographic shift in northwestern Ontario is the rise in the aboriginal population. According to the Canadian census, the aboriginal population in Thunder Bay rose 22% between 2001 and 2006. One of the reasons for this increase has been a number of families moving to Thunder Bay from remote reserves.

When those students come to Thunder Bay, unfortunately, their English-language skills are, on average, two years behind the students in the same grade level in

the same classroom. These students require extra supports that just aren't there. I was talking to a special education teacher yesterday who was talking about the fact that because those students aren't able to fully participate in school due to the language, and we don't have those transitional programs, we tend to lose those students very quickly. They realize that their needs aren't being met.

I think that many of these students are looking for family, they're looking for support, and unfortunately, some of those students are finding that in gangs. There has been a rise in gangs, largely in at-risk students, not just the aboriginal population; I'd say all of our students. Those alienated youth are causing safety issues in our schools. To prevent this, we have to have the appropriate programs for those students in our schools.

One of the ways to keep some of those students engaged is with the technical and vocational classes, which we don't have as much as we had in the past. We actually closed two vocational schools here in Thunder Bay back in the 1990s. Those resources were never replaced in the other schools. We recommend that funding for technical-vocational education should be increased for both the operation of current programs and the construction of additional facilities. In addition, we recommend funding for transitional programs for aboriginal students and increased funding for counselling services for high-risk students.

Another issue that we have is the fact that our funding is based on student population. It's turned into a full-time-equivalent amount. Students are supposed to take 7.5 credits on average per year, so they take this FTE and multiply it by 7.5, and that's how school boards receive most of their funding. Unfortunately, in secondary schools in Thunder Bay, our students are actually averaging more than 7.5 credits per year. In 2005-06, I believe it was 7.77, and in 2006-07 it was about 7.85. This means that there's a loss of somewhere between 3.5% and 4.5% in the amount of funding that the board should be receiving, because those students are still generating classes, due to the 22-to-1 average, but the boards aren't being compensated for the extra classes that have been created by students wanting more education when they're in high school.

Mr. Brian Church: An issue arises in the smaller areas as well with the 22-to-1 ratio—22 students per teacher—calculated on a board-wide average. In my district, we have three very small remote schools and one larger school with approximately 1,000 students in the centre of the district. In order to offer the programs at the smaller schools, many classes are run with much less than 22 students, or a small number of students in the classes; there are some classes of 10 and 12. As a result, the one large school in the district ends up—we still meet our 22-to-1 average, but in Fort Frances High School this year 23.6% of our classes are one over the negotiated cap. So some way to deal with this small-district issue could be looked at. Funding for a few additional teachers

in the large school or some way to deal with the inequities that are caused by the geography would be nice.

We recommend that school boards receive funding for each credit that a student takes. In addition, the funding formula should provide for the unique challenges faced by boards with geographic inequities.

Another issue: Recently the Julian Falconer report was presented, which dealt with the shooting incident at a high school in Toronto. This has heightened everyone's awareness regarding school safety, and it's certainly been in the news. Although the issues in an inner-city school in Toronto are much different from those in a small community in northwestern Ontario, one idea that has been bandied about is increasing the number of adults in the schools. We believe that increasing the number of adults in schools across the province would have positive effects as far as safety is concerned. At-risk students could be involved in early-intervention programs or alternative education programs that are more suited to their interests and abilities if we have the staff to deal with it.

All staff members must be part of the solution. The entire staff must receive training regarding bullying prevention. A program funded by the Ministry of Education, Safe@School, was created by the Ontario Teachers' Federation, and it is an excellent start, but it must be enhanced to ensure that all staff are properly trained in dealing with bullying. We recommend that school boards be able to employ and properly train the appropriate staff to improve safety in the schools.

Mr. Terry Hamilton: In conclusion, we firmly believe that our public schools deliver a great education to most of our students. However, most is no longer good enough. Additional supports are needed to allow all our students to succeed. Further, northern Ontario needs extra support to ensure that our students have the same opportunities as students elsewhere in the province.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Ted Arnott: Thank you very much, gentlemen, for your presentation. I found it very helpful and enlightening. I want to commend you for coming forward to talk about the concerns that exist amongst your members and amongst the people who support public education in Thunder Bay and the northwestern Ontario area.

I want to ask you about the local priority amount that you made reference to on page 2 of your presentation. Do you know how much, for example, the Lakehead District School Board was receiving annually through that grant, and how much they're losing out now because they don't get that money?

Mr. Terry Hamilton: That's something I probably should have looked up, but it was removed a couple of years ago. I know that grant was one of the things that allowed school boards to have some kind of flexibility in terms of delivering programs, and there was a shift—I believe it was in 2005-06—that took away that part and also took away part of the demographic component of

another grant that was also helping us in northern Ontario and provided some flexibility.

Mr. Ted Arnott: I would agree with you that there needs to be some provision for local differences and local priorities in the funding formula. I would hope that the Minister of Education as well as the Minister of Finance will be pushing for that.

You indicated that two high schools have closed in Thunder Bay, so I assume you've got four left.

Mr. Terry Hamilton: Yes.

Mr. Ted Arnott: You also talked about the gang issue. Is it an issue that is arising at all of the four existing high schools, or is it particularly pronounced at one or two of them? What would you tell us about that?

Mr. Terry Hamilton: I think there's probably some kind of gang involvement at all four schools in the public system, which I represent, as well as the two secondary schools in the local Catholic system. A couple of schools probably have more students involved in gangs than others, but I don't think there's a huge difference between schools. Certainly it is a concern. I don't think that it's a huge concern, but it's an indication of where we're going and where we don't want to head. The sooner we can start to change that direction to keep those students involved—so that they're not alienated and feeling that they find this community, unfortunately, with gangs.

1130

Mr. Ted Arnott: I was following along as you were making your presentation, and I think you added an ad lib about the distance provision between schools, the number of kilometres and the change in the funding. Could you enlighten us a bit more about that and the concern you have with respect to that issue?

Mr. Brian Church: I believe it was a couple of years ago that there was a distance provision put in so that if schools were further than eight kilometres apart, there was additional funding provided to the board in order to deal with the transportation and the distance issues. Recently the number has been increased, and now they must be more than 20 kilometres apart. For a small community like Fort Frances, we have a number of schools, elementary schools particularly, spread around the surrounding area that were much further than eight kilometres. But now that more of them fall within the 20-kilometre range, the amount of money that will be coming to our board to deal with the distance issues will be decreasing significantly.

Mr. Ted Arnott: Which makes it harder and harder for your board to keep rural schools open, I'm sure.

Mr. Brian Church: Yes.

Mr. Ted Arnott: That's interesting, because in 2003 the Liberal Party campaigned on a number of promises, one of which was to keep rural schools open. If they're changing the funding formula to make it more difficult, obviously that's something the people need to know about.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

PIC RIVER ELEMENTARY SCHOOL

PIC RIVER PRIVATE HIGH SCHOOL

The Chair (Mr. Pat Hoy): Now I call on the Pic River Elementary School and Private High School to come forward, please. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I'd ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Alison Hemingway-Rayasi: Good morning. I'm Alison Hemingway-Rayasi.

Ms. Lisa Michano-Courchene: I'm Lisa Michano-Courchene.

Ms. Sarah Robinson: I'm Sarah Robinson.

Mr. Joshua Leclair: I'm Joshua Leclair.

Ms. Alison Hemingway-Rayasi: I'm the principal of Pic River Elementary School, Pic River Private High School and a full-time grade 5-6 teacher. This is not something we're used to doing, so we're all feeling kind of nervous this morning. It's very new to us but it's something we feel very passionately about.

I've been a teacher for 26 years. The last 11 of them have been in Pic River. Our First Nations elementary school has 60 students, from JK to grade 8. We also offer Ontario Ministry-of-Education-approved programming at our private high school, which is for adult students and students who have not been successful in the mainstream system.

Lisa has the next part of our presentation.

Ms. Lisa Michano-Courchene: Thank you for allowing us to make a presentation on behalf of First Nations schools in Ontario. Although we work in a federally funded school, we feel that it's important to make the provincial government aware of how a lack of funding by the federal government impacts the provincial budget.

First Nations people are the fastest-growing population in Canada. According to Statistics Canada, between 1996 and 2006 the aboriginal population grew by 45%, compared to 8% for non-aboriginal Canadians. The third national survey of First Nations people living on-reserve states that in 15 years, First Nations students will represent 25% to 50% of the entire elementary student population in several provinces and territories. Presently, there are approximately 40,000 First Nations students attending post-secondary institutions across Canada, with only a 9% graduation rate.

First Nations people have an inherent right to a quality education. The federal government has a financial responsibility for First Nations education. The government has not modified its educational policies for over two generations. The money provided for the education of First Nations people is far below provincial standards. It is this exact situation that affects the provincial budget.

The funding formula used for on-reserve schools has not been indexed for an increase in 20 years. Current Indian and Northern Affairs Canada funding completely ignores costs related to school libraries, vocational training and follow-up of provincial reforms, which have a significant impact on the curriculum. There is no

money in place for support measures such as numeracy, literacy, character education, oral language, music and health, and physical education. The formula ignores costs related to programs for protection, revitalization and conservation of aboriginal languages. Teachers who work in First Nation schools receive 30% less salary than their provincial counterparts. It is no wonder that reserve schools have a high teacher turnover rate and hire inexperienced teachers in order to save money. Eventually, as our students leave and enter a provincial high school, they often experience difficulty both academically and socially. Their problems then become the problems of the provincial school system.

According to the United Nations Human Development Index, Canada is ranked number 1, yet First Nations people in Canada rank 64th. Canada is failing the neediest children in the country. Current funding for special-needs children in the elementary schools on the reserve is not based on needs but simply based on student population. A recent survey shows that 30% of First Nation students should be identified as special needs. Article 23 of the UN Convention on the Rights of the Child states that children have the right to special education and care if they have a disability so that they can live a full life. The lack of funding for special needs means that students do not have access to early intervention, speech and language pathologists, psychometrists, occupational therapists, physiotherapists and child development workers, access that could otherwise improve the educational success of these students. First Nations schools have the highest proportion of students at risk. These at-risk children eventually become the problem of the provincial education systems once they reach high school.

There has been a 2% cap on post-secondary funding since 1996-97. Close to 3,000 aboriginal students have been denied funding for post-secondary education this year. This shortfall for post-secondary students is \$724 million. By 2018, Canada will lose billions of dollars in lost productivity in labour growth as only 52% of aboriginal students graduate compared to 70% non-aboriginal. Almost half of Canada's aboriginal population live in urban areas off reserve where there are more opportunities to be part of the workforce and contribute to local and provincial tax bases. However, without proper education and training many will become a financial burden for the province. Welfare is 20 times more expensive than a university education.

First Nations people are above the national average of users of the health care system due to a number of health-related issues including obesity, diabetes, substance use and abuse and depression. Many of these problems can be prevented by early intervention, not only through the health system in First Nation communities but also the education system. Such things as adequate gym facilities, sports and recreation equipment, trained health and physical education teachers and mental health counsellors available in school for students could potentially decrease the health problems that many First Nations

experience. Healthy children will become healthy adults who will be less of a burden on the provincial health care system.

Success for aboriginal people means that substantial intervention in First Nations education is needed now. We need the voice of all Ontarians, particularly those in political office, to demand that the federal government live up to its responsibilities.

Thank you for your time.

Ms. Alison Hemingway-Rayasi: I didn't let you know that Lisa is our grades 7 and 8 teacher. She's also a First Nations person, a member of Pic River First Nation. The other two people who are with us are students who have been through our school system and are now about to graduate from Marathon High School. They would like to add to our presentation.

Mr. Joshua Leclair: My name is Joshua Leclair, and like she said, I went through the education system on the reserve from kindergarten to grade 8. Throughout my elementary career, I excelled in what was offered, but when I made the transfer from elementary to high school, I lacked in math, science and English, and this made me feel, I guess, kind of stupid compared to the provincial standard, which is 80%, right?

I was in the academic stream. There are not too many First Nation students in that education, so I also felt lonely and isolated. This made me feel like I should drop back and be with my friends, but instead I stayed in the academic stream.

This is a little nerve-racking.

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Now I'm in my last year of high school, still in the university stream of education, and I will be going to university in the fall. So as a successful First Nation student, I feel it's a responsibility for me to speak on behalf of the younger First Nation students. I think of my sister, how I hope she has the same opportunity as everybody else in the provincial system. I don't think that First Nations aren't capable of doing the work, it's just that we don't have the resources to do it in the elementary school. If we had those resources, I think we could thrive and better our culture and revitalize it collectively.

I think that's all I've got to say. Thank you.

Ms. Sarah Robinson: Good morning. My name is Sarah Robinson, and as a student, I would like to take the opportunity to talk to you about the transition from a federally run to a provincially run school.

I'm a senior at Marathon High School, and getting there wasn't easy. I graduated from Pic River Elementary School at the top of my class. I was a straight-A student and class valedictorian in my grade 8 graduating class.

I entered Marathon High School and in the first year I found out that I had a reading and comprehension disability, which wasn't found throughout elementary school. So for the first year I was very discouraged and lost; I didn't know what to do. I found myself needing tutors and help in most of my subjects after grade 9.

I'm not only a student; I am a mother of a son who's going to be entering school in the fall. Since I live in Pic River, there are no buses to take elementary children to Marathon to attend the provincially run schools. He will have to start his education at Pic River Elementary School, which I should be proud of, but it saddens me to realize that my son will more than likely have to go through the transition I did—elementary to high school—and the same with all the other children from Pic River.

I want to thank you on behalf of everyone here for taking the time to listen to our concerns. This is a serious issue. It is our education, our lives, and the first steps of who we will all be tomorrow. It is our responsibility to do what is best for the younger generation, and I feel that this is the start of it.

The Chair (Mr. Pat Hoy): Thank you, and now the questioning will go to the NDP.

Mr. Michael Prue: Thank you very much. You are describing, all of you, a problem that has existed for far too long. It has been a problem that most recently has shifted from a complete federal responsibility to people rightly asking, "Aren't we citizens of the province too?"

It would seem to me, and I want your comment on this, that there are really only two ways that we can proceed to make education better for the students of First Nations. One is to have the province subsidize the federal government operation of the schools so that there is enough money and it's brought up to the same standard. The second one is to, quite frankly, have the province do all of the education and have the First Nations have their own school boards, run their own schools, and run them as provincial institutions. I don't see any way out other than those two.

Have you given any thought to what you'd like to see in the future? Obviously, the old way doesn't work.

Ms. Alison Hemingway-Rayasi: We've given a lot of thought to it and my main concern is that through the treaty process and various things that have happened in the past, it is an inherent right of native people to get an education, a quality education, provided by the federal government. It is their responsibility, and they need to start stepping up and carrying through on their responsibilities. It would be very nice if what you're suggesting could happen; however, it is their responsibility, and they would like nothing better than for our school to close and for our children to be shipped to Marathon. They would pay for it; they would pay your going rate for our students. But that's not what the First Nation wants for the students. Lisa can probably speak better about that.

Ms. Lisa Michano-Courchene: Also, the possibility of the province taking over, so to speak, the education on-reserve means that we will have to follow provincial standards, provincial curriculum, and our First Nation does that. We do follow provincial standards because our kids still have to make that transition into a provincial school. Also, there needs to be a doorway because we need to be able to incorporate First Nations language, culture and traditions within our school system. I'm not

quite sure if that's something that would be open if it fell under provincial standards.

Mr. Michael Prue: I'm sure. The Pic River First Nation: What is the language group? Are you Cree or—

Ms. Lisa Michano-Courchene: It's Ojibway.

Mr. Michael Prue: Is Ojibway widely spoken in the community, or is it mostly from older people?

Ms. Lisa Michano-Courchene: There are approximately 450 people living in the community right now; a handful—20 people—speak it fluently, so we're very close to losing our language.

Mr. Michael Prue: Is it being taught, I hope, in the schools?

Ms. Lisa Michano-Courchene: Presently, not right now. There is no funding in place to do that.

Mr. Michael Prue: In Toronto, where I come from, they have languages taught—virtually every language—to children so that they don't lose it. It can be anything from Greek to Farsi to Punjabi; it's all taught. I think the province has a pretty good record on that. Why are you a little reluctant that the province would help the people retain the language?

Ms. Lisa Michano-Courchene: Some of the things we do in the school system now without having to, even though we do follow provincial curriculum—there are things that we do, like take the kids out rabbit snaring and moose hunting and things like that. I'm sure there are rules and regulations in terms of whether that's allowed—I'm not sure—in provincial school systems. Sometimes afternoons are filled with elders coming in from the community to the school systems. Whether it fits the curriculum or not—

Mr. Michael Prue: It's still a good idea.

Ms. Lisa Michano-Courchene: It's still a good idea, and sometimes there are certain individuals that could be very particular about making sure it does fit somewhere in Ontario curriculum, but because we're under the federal government, we don't really have to stick to it, so to speak.

Mr. Michael Prue: It's not a question, Mr. Chair, but just to the students: Congratulations. It's been tough, I know, but you've done a good job here today presenting yourselves.

The Chair (Mr. Pat Hoy): All the best to you, and thank you for your presentation.

THUNDER BAY AND DISTRICT INJURED WORKERS SUPPORT GROUP

The Chair (Mr. Pat Hoy): Now I call on the Thunder Bay and District Injured Workers Support Group. Come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There might be five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Steve Mantis: Thank you very much. My name is Steve Mantis. On my left is Robert Larocque, and on my right is Eugene Lefrançois. We're all members of the Thunder Bay and District Injured Workers Support

Group. We are a group of injured workers with no core funding; just run by donations and volunteer effort. We were formed in 1984 to try to both help injured workers with education and support and to engage in dialogue to try to make the system work better for all injured workers in Ontario.

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I want to give you a little bit of a background about the status of injured workers in Ontario. As you probably know, there are about 350,000 claims each year; that is, claims to the compensation board, not the number of injuries. The research is showing that probably the number is close to double that in Ontario. Of those each year at the WSIB, there is somewhere in the range of 12,000 to 15,000 workers that they certify as having a permanent disability or a permanent injury. Collectively in Ontario, there are about 343,000 workers still living who have been certified by the WSIB as having a permanent disability.

One of the issues we have been trying to raise with the compensation board for the last 20-something years is to track outcomes of workers. The organization has refused to do that, and of course we would hope that the Legislature is there to hold them accountable for the work they do or don't do. But some research that has been done has shown that somewhere between 50% and 80% of that group of permanently disabled workers are chronically unemployed and living in poverty. This is a system created by the Legislature of Ontario and monitored by the Legislature of Ontario to compensate, to look after people after they become injured in work. The system does not keep track of what happens, but we have been engaging for some years with researchers trying to understand the situation, and consistently, the numbers of chronically unemployed are well over 50%.

We bring a range of issues to you because we've been a little bit confused about what is the role of the budget. Last year, the budget bill, Bill 187, covered many different issues in Ontario society and led to some changes in the Workplace Safety and Insurance Act. The issues that we want to bring today are basically about poverty. We would like to see this budget set a priority to reduce and eliminate poverty in Ontario. We're one of the richest jurisdictions in the world and we have a large portion of our population living in poverty.

Certainly under the previous government, under the Mike Harris government, we had an effort to victimize those people who are most vulnerable in our society. The cuts that were made to provincial welfare, disability payments, and WSIB have left a large portion of these people struggling in their lives and in dire need. Numbers from the Canada census: If you have a disability, it's improved, but 55% will be unemployed.

A study was recently done in Toronto of homeless people: 57% of the people that they interviewed had been hurt at work, had a workplace injury. The research didn't say that that was why they ended up homeless, but that was one of the steps on the path that led them to homelessness.

We're recommending substantial increases in Ontario Works payments, in ODSP payments and to have the compensation system reflect reality. The system that we have now in place is called a wage-loss system that's supposed to cover lost wages; it doesn't do that. The vast majority of people with a disability recognized as a permanent disability get nothing on a long-term basis, and yet the research consistently shows that somewhere between 50% and 80% of them are chronically unemployed. So the system, whether it's the way you guys set it up or whether it's the way it's administered, is not reflecting the reality that workers face.

We've just done a little survey here in Thunder Bay, looking at our members. We found that 42% of the people we interviewed who were injured at work were on either Ontario Works or ODSP. The system is shifting the cost from a system that's supposed to be paid by employers on to the public purse. Thirty per cent of the people interviewed use food banks, 20% use shelters, 78% are unemployed, and 68% are depressed. All of these things are costs to the public system that have been shifted away from where they're supposed to be. The system is supposed to look after workers when they become injured and disabled, and it's shifting on to the public purse.

Mr. Robert Larocque: As Mr. Mantis said, the WSIB system is not paying what it should be. As a matter of fact, when somebody makes a claim, we've seen in the claim file where the adjudicator has asked, "Have you filed for ODSP? Have you filed for OW?" That's fraud. To give more money to the province, you need to eliminate fraud. To eliminate fraud, you have to say to the WSIB, "This is your health care bill; you pay it." I'm one of the people who caused the fraud. I had to go to the hospital because I had a permanent impairment, and most of the time, if I didn't say that it was WSIB, it was billed to OHIP. When an injured worker has a short-term or long-term disability, they have to sign an assignment right away, but they don't sign an assignment to pay back OHIP. If OHIP would take that money back, the province would have a lot more funding to go to different groups—and let WSIB pay their own bills.

One more way that you can save money is the last bill, Bill 187, which says that we, as volunteers, now cannot represent people at the tribunal or at appeals. If we want to, we have to be licensed and carry errors and omissions insurance, which can range up to \$8,000. We would be exempt from that if we were funded by WSIB, but we're not funded. The interpretation of "injured workers' group" has to be changed under Bill 14. They have to take away the interpretation of an injured workers' group being okay as long as they're funded by WSIB. That way, we can help people who are injured. If we don't help them, they'll end up going to the Office of the Worker Adviser, which is funded by the province, or they'll end up in a different system, legal aid, which is funded by the province. Kinna-aweya Legal Clinic is funded by the province. You're spending money where WSIB should be spending the money. Don't pick up the tab for WSIB anymore.

Mr. Eugene Lefrançois: I just want to know how many here pay insurance. Probably all of you guys pay insurance in one form or another, right? It's just a straw poll.

Ontario will spend whatever it takes to help an injured worker recover to his or her maximum recovery. You need a new arm? They'll give you a new arm. You need a new leg? They'll do whatever it takes. But once you're healed and unable to work at your previous employment, Ontario will spend whatever it takes to deny you health care, education and adequate income. To me, there's something wrong with that.

Ontario will also spend whatever it takes to give rebates back to the employers who pay into this—not all employers; the little guys always have to pay. It's the big employers that never have to pay. That's why I ask how many of you never had an insurance claim and how many of you already got your rebate cheque back. None, right?

To be fair, make all users of an insurance scheme, regardless, receive rebates back if they don't file a claim. So I'm going to expect my cheque in the mail from you guys, my rebate cheque for insurance if I never have an accident. Or if I don't file, my house doesn't burn down, I want my rebate cheque.

1200

Also, charge all employers who do not employ injured workers if they have the qualification. Bob already hit health care; Steve talked about homelessness. If you charge the employers—charge them. Don't be scared. You guys have the power, or you supposedly have the power. Do it. When you got your big 25% increase, I got my 0.01%. I was looking at the scales there; it didn't add up. That's all I have to say.

The Chair (Mr. Pat Hoy): Thank you. Your time is over, actually, by about 30 seconds, but that's all right.

Mr. Eugene Lefrançois: Thank you for allowing me.

The Chair (Mr. Pat Hoy): Now we'll go to the government. Mr. Arthurs.

Mr. Wayne Arthurs: Gentlemen, thank you for your presentation and the work that the workers' support group has been doing for almost 25 years, I guess, since it started in 1984. It's certainly an important part of the community in the context of providing mutual support and information to injured workers and to those who find themselves with a permanent disability as well.

In the last budget, you mentioned there were some adjustments, and one of those was some increases in the WSIB payments. It was 2.5% in three instalments over about 18 months, so it made a fairly significant change in that way, which is probably about twice what occurred in the dozen years prior to that. It's at least an acknowledgement by government that there is a need. We're trying in some fashion to address that as best as one can.

Steve, you started the presentation by saying that you really wanted to talk about the issue of poverty. The Honourable Deb Matthews is chairing a cabinet committee to look at a poverty strategy. I very much hope you will have the opportunity in some fashion, through your organization, to input into that consultative process

that she'll be taking responsibility for to ensure that injured workers also are getting their voices heard within the context of that work, so it's not just—sorry, not “just”—so that the focus isn't solely on other groups, whether it be children or others. There are specific needs in the community and we need to ensure that the full range of discussion occurs at that point in time. Do you have any further advice for us at this point in the context of the poverty strategy that you would like to see addressed in that regard?

Mr. Steve Mantis: Yeah. To put the context on those 2.5% increases: You're right; it is technically over 18 months. It's really over three years because the one was in 2007, the next is in 2008 and the third is 2009.

If you average out what inflation has been, it has been about 2.5%, so really what it's doing is keeping us even for that three-year period. We have lost 29% just from inflation since 1995. Those three years means that we're just breaking even now. So here you've got people who are living in poverty.

This last week I was in Toronto—we had meetings—and here were some of the injured workers who got that 2.5% increase, and here's their cheque. They're unemployed. One guy goes to the food bank every day because he can't afford—he's on ODSP—to pay for food, and he's got this cheque now that has an increase. What that does for him is nothing, other than he now has to report this to ODSP, ODSP subtracts that from his payment, and it just gives him a headache. He's no further ahead at all.

So when we look at, “Yes, this is a nice increase,” what really happens to real live people who are living in poverty? It means nothing at all. He was calling it Monopoly money: “Look, I got another \$5, but what does it do for me?” It does absolutely nothing except make his ODSP maybe be delayed because he's got a different amount to claim than he had last month.

In terms of the strategy, I think we need to restore benefit levels at least for ODSP and OW. Let's make up that 22% that was cut and let's look at the inflation. Let's look at what really is happening. Our poverty line is somewhere around \$20,000 for a single person. On welfare you get, what, \$6,000 a year?

Mr. Eugene Lefrançois: I have a family of five; I get \$17,000 a year.

Mr. Steve Mantis: Do any of you think you can live on that? If you've got a disability and you've got all kinds of extra costs, jeez, maybe you'll make \$11,000 a year. Do you think you could live on that? Could you pay your rent on \$11,000 a year?

Let's face reality here. Is it your idea to keep people down and not let them out? Is that the kind of society we want? Let's at least share the wealth in our province. The rich are getting richer and richer, and what are we doing to the poor people? This is what we're doing.

The Chair (Mr. Pat Hoy): Time has expired. Thank you for your presentation, gentlemen.

Mr. Steve Mantis: Thank you very much.

ONTARIO DISABILITY SUPPORT PROGRAM ACTION COALITION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Disability Support Program Action Coalition to come forward. Good afternoon. You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Ms. Andrea Luey: Hello, my name is Andrea Luey. I'm a lawyer at Kinna-aweya Legal Clinic.

Ms. Janice Cerra: Hi, my name is Janice Cerra. I'm an injured worker and have been living on ODSP and CPP for 21 years.

Ms. Joy Asham: My name is Joy Asham, and I've been on ODSP now for five years. I was a worker all my life.

Ms. Andrea Luey: The ODSP Action Coalition is a province-wide coalition of community agencies, provincial organizations, anti-poverty groups, legal clinics and, most importantly, ODSP recipients themselves. Our aim as a coalition is to advocate for improvements to ODSP so that people with disabilities can live with dignity.

We are here today to ask you to consider the following. The government's commitment to developing a comprehensive poverty reduction strategy is crucial to the future economic and social well-being of this province. Poverty results in increased costs for our health, education and justice systems. Investing in a meaningful poverty reduction strategy with clearly defined targets must be a priority. The poverty reduction strategy must include measures to address the needs and barriers that condemn so many people with disabilities to a life of poverty.

People with disabilities and the organizations that work with them know what the barriers are and what solutions are needed. Therefore, these groups must be included in consultations to develop the specific targets and policies to achieve the goal of reducing poverty in this province. Consultations must be adequately funded and accessible in every way to support real and meaningful input from people with all types of disabilities.

Ms. Janice Cerra: Raising support levels of ODSP and OW to cover the true costs of living: In 2008, the government needs to do more than just study poverty and wait for the results before beginning to act on poverty reduction. Workers from charities to municipal governments have called upon the province to provide incomes allowing people on social assistance to eat nutritional meals and maintain safe and adequate shelter.

Presently, a single person on ODSP can receive a maximum monthly benefit of \$999 to live on. This includes the most recent 2% increase. This must cover rent, utilities, food, transportation, clothing, household and personal needs and, often, additional related costs to their disability that are not covered by benefits. These rates fall far beneath the poverty line. Although it is most difficult for anyone to manage on this amount of income,

it is much worse for people with physical or mental disabilities, chronic or psychiatric illnesses. Their poverty often exacerbates their condition. The fact that so many people with disabilities are struggling to survive in poverty is an issue that receives little attention. This may be because of the long-standing myth in our society that the government provides for our disabled citizens. But this is just a myth.

People on ODSP get a maximum of \$445 a month total for shelter. This includes utilities. This is far below the average rents for a bachelor and a one-bedroom apartment, which range from \$222 to \$462 above that amount provincially. Many people are forced to dip into their basic needs allowance to offset their shelter. The little that remains has to cover everything else. Forty per cent of food bank clients have disabilities. There's nothing left for emergencies, participation in community events or a decent haircut.

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If the government is really committed to reducing poverty, these rates must reflect average market rents as reflected by CMHC, an average cost of a nutritional food basket as determined by municipal boards of health, and include money for all other basic needs, such as transportation, a basic telephone, and utilities. An increase of double-digit percentage to social assistance rates in this budget would go a long way in illustrating that your government does not plan to leave these vulnerable recipients behind.

(3) An independent committee should be established to develop rational and just criteria for setting social assistance rates. An ODSP individual receives \$554 a month to cover their basic needs. No government has ever spelled out exactly what basic needs that amount is intended to cover. These rates are based on an arbitrary figure. From 1993 to 2005, there was no increase to ODSP and a huge cut to OW rates.

Recently, the government gave increases less than the current inflation rate. I personally received \$930 in 1987 and only receive \$999 now, and that's 21 years later. That's only \$69 a month over that length of time.

Creating an independent committee that includes people on social assistance and anti-poverty and disability groups would help ensure that the criteria developed reflect the true needs of individuals and families on social assistance.

Ms. Joy Asham: Increase the amount that ODSP recipients can earn before deductions. Ontario ODSP recipients are often workers. We want to work. At the present time, if an ODSP recipient works part time—and many do—50% of their earnings are clawed back from their monthly ODSP income. The clawback makes it very difficult for people on ODSP to lift themselves out of poverty, since they are only keeping half of what they earn. We are asking that ODSP recipients be allowed to keep at least enough of their work income to get them up to the poverty line before their earnings are clawed back. A flat-rate exemption of \$430 per month before the 50% tax-back rate would be a good start. Surely Ontarians

agree that disabilities should not be a life sentence to poverty; yet with the ODSP rules the way they presently are, that is often the case.

Ms. Andrea Luey: We are also calling on the government to increase the Ontario child benefit and roll it out more quickly so that it actually benefits those who need it most. The government has committed to implementing this benefit as of July 2008 and increasing it gradually from \$50 per month per child to \$92 per month per child by 2011. While we have been assured that families on OW and ODSP will be better off as a result of the new benefit, the amount they will actually get is significantly less than it appears. This is because, also as of July 2008, monthly ODSP and OW benefits for families will be reduced, and families will no longer receive a separate winter clothing allowance or a back-to-school clothing allowance, on which they desperately rely.

Thus, the new Ontario child benefit will not make a positive difference for families on OW and ODSP who live thousands of dollars below the poverty line. As of 2006, a single parent on ODSP with one child lived 23% below the poverty line and a single parent on OW with one child lived 47% below the poverty line. Families on OW and ODSP desperately need the full amount of the new benefit as quickly as possible, and the benefit should also be increased without a corresponding decrease in social assistance rates.

Ms. Joy Asham: In conclusion, in this budget the ODSP Action Coalition respectfully calls on the government to:

- provide public consultations to develop a broader anti-poverty strategy and ensure there is adequate funding so that people with disabilities and other low-income people and the organizations that work with them can participate;

- make sure that all poor people benefit from the broader anti-poverty strategy that is developed, including people without children, such as single people and childless couples who rely on Ontario Works or ODSP for their income;

- announce a double-digit percentage increase to OW and ODSP rates as a down payment on a commitment to ensure that social assistance rates reflect average market rents, the average cost of a nutritious food basket, and include money for all other basic needs such as transportation, telephone and utilities;

- index Ontario Works and ODSP rates to inflation;

- create an independent committee that includes people on Ontario Works and the Ontario disability support program and anti-poverty and disability groups to advise your government on rational and just criteria for determining Ontario Works and ODSP rates in the future;

- let ODSP recipients keep at least enough of their work income to get them up to the poverty line before their earnings are clawed back;

- increase the Ontario child benefit and make sure that it gets to the families sooner than 2011.

The Chair (Mr. Pat Hoy): The questioning will go to the official opposition.

Mr. Tim Hudak: Thank you very much for the presentation and the comprehensive list of recommendations.

There are a number of topics I want to pursue, one of which is affordable housing. The government had made a promise, I think, to increase the number of social housing units by some 20,000 across the province. How close have we come to that goal?

Ms. Joy Asham: From what I understand, most of the increases are down in the south, and they also do not match anywhere near the projected market, never mind the present market.

Mr. Tim Hudak: I should ask, more fairly, about the northwest. Have we seen any increase in the northwest area?

Ms. Joy Asham: Not at all. In fact, we're also losing chronic care hospital beds up here.

Mr. Tim Hudak: You had mentioned as well the clawback of the federal benefit. Similarly, the government had promised to eliminate that clawback. I don't think that's actually been accomplished as yet. Is it a promise that should be pursued, or are you willing to take their excuse?

Ms. Andrea Luey: There obviously have been some starts, but it's still inadequate. Today we're focusing on the provincial budget and the announced Ontario child benefit, and I think our recommendations on that are pretty clear and understandable. As it is right now, if it were to proceed as promised, it would not, in reality, assist families on ODSP with children.

Mr. Tim Hudak: You also make an important point about reducing the disincentives to work for people on ODSP. Another important part of that is making sure that we do have the appropriate job opportunities. What advice could you give the committee in terms of helping create job opportunities?

Ms. Janice Cerra: I would like to address that. That's a big pet peeve of mine. The service providers need to really be revised as far as the kinds of opportunities they don't provide for people who are on disability. There's not enough of a range for the kind of training that people are getting. There are not enough jobs up here in the Thunder Bay area for even the service providers to provide. I find up here in Thunder Bay especially that our ODSP office just doesn't have the amount of service providers available. Not only that, but there's a heck of a lot of money—far too much money—that's going from Comsoc into the service providers. Just as an example, that 50% that we get taken off—almost 25% of that can go to a service provider as an incentive for finding us employment. That's not really fair; they're gaining an additional 25% off of the piddly little amount that we're getting in order to find us work.

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I myself had a horrible experience. I was a year using—I don't know if I can use the name of the service provider, but they were from Toronto. Everything was over the Internet and the telephone, and in a whole year, all I earned was \$200, and then once you take off the 50%, I was ahead \$100. Then they turned around and

said that I had unique needs, which wasn't—it was just that I needed to be taught more. I needed a different way of teaching for what I was learning as far as my computer skills. They weren't prepared to give me that time.

The Chair (Mr. Pat Hoy): Thank you for your submission.

ONTARIO ASSOCIATION OF OPTOMETRISTS

The Chair (Mr. Pat Hoy): Now I call on the Ontario Association of Optometrists to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Dr. William Ulakovic: Good afternoon. My name is William Ulakovic. I'm the current president of the Ontario Association of Optometrists.

Ms. Barbara Wattie Fuller: I'm Barbara Wattie Fuller, the executive director of the Ontario Association of Optometrists.

Dr. William Ulakovic: OAO is pleased to provide input to the 2008 pre-budget consultations being undertaken by the standing committee on finance and economic affairs.

One year ago, the OAO urged this committee to ensure that seniors, children and adults with sight-threatening diseases continue to have access to OHIP-insured optometric eye care services. We urged you to recognize the important role that optometrists play in the health care system and urged you to ensure that the government works with us to build a healthier Ontario.

The OAO would like to recognize the efforts made by this government to invest in the eye care services that millions of Ontarians rely on each year. A new agreement negotiated between the Ontario Association of Optometrists and the Ministry of Health and Long-Term Care is an important step in maintaining and improving eye care services for Ontarians still covered through OHIP, and we welcome recognition of the critical role played by optometrists in its delivery.

While welcome, there is still a need to address some historic shortfalls in OHIP funding for our services. OAO is looking to the government to renew its commitment to ensuring Ontarians have access to sight-saving eye care services when they are most needed.

With this in mind, OAO is putting forward pre-budget advice that aims to help the government build on the progress it has made in primary care and work towards its commitment to improving emergency care. Specifically, we are suggesting:

- that the government work proactively with OAO to incorporate optometric services as part of a comprehensive diabetes strategy;

- that the government fulfill its promise, working in cooperation with our organization, to extend the legislated scope of practice of Ontario's optometrists to include prescribing therapeutic pharmaceutical agents—

also referred to as TPAs—by reviewing the proposed draft regulations in a timely manner; and

—that the government continue building on its commitment to providing a comprehensive slate of family care services, including community-based eye care services.

I can certainly give you a brief background description of our provincial association. More information is included in your handouts. The OAO was founded in 1909 and is a voluntary professional organization that represents 1,200 registered optometrists in Ontario. As the designated negotiating body for optometry, the association proudly serves the profession by performing a variety of government advocacy, membership education and public awareness initiatives.

Optometrists are professionally educated and clinically trained to provide community-based primary eye health and vision care services. They provide regular eye care for patients of all ages to optimize people's vision and prevent vision loss through early detection and treatment of eye disease.

Preventing blindness and preserving vision is certainly a priority for Ontario's optometrists. Comprehensive eye examinations play a critical role in the early detection and diagnosis of sight-threatening disease.

To give you an idea of the importance of optometric services for Ontario, currently there is one optometrist for every 8,600 residents, compared to ophthalmology, which only serves one in every 30,000 residents. Optometric practices can be found in over 220 towns and cities across the province, including some remote areas, particularly in northwestern Ontario.

In 2006, Ontario's 1,400 optometrists provided primary eye care services to nearly two million Ontarians. Also in 2006, Ontario optometrists provided care to approximately 40% of our senior population, a group at risk for a number of sight-threatening diseases, including cataracts, glaucoma and age-related macular degeneration, also including the complications of diabetes.

Diabetes is a chronic disease that affects more than 700,000 residents in Ontario, a number that has doubled in the last decade and is expected to do so again by the year 2010. Patients with diabetes must be monitored regularly to ensure they do not lose their vision.

With respect to the 2008 budget, I would like to address three topics.

First, recognizing preventive eye care services as a critical component of a comprehensive diabetes strategy: In the decade between 1995 and 2005, the overall prevalence of diabetes in Ontario increased by almost 70%, rates that continue to increase. Within 20 years of the onset of diabetes, the majority of patients will develop some form of diabetic retinopathy, which is the leading cause of blindness among Canadians between the ages of 30 and 70.

Diabetes and its complications drive a substantial portion of our medical resources. While family physicians are vital in working with patients to control their diabetes, preventive eye care services provided by

optometrists to those at risk for vision loss help preserve sight and minimize the costs of future health care services.

Increasing pressures on access to care have been created by both greater demand for services and growing shortages among specialists, particularly ophthalmologists. Ontario's optometrists are key to ensuring that patients receive a timely diagnosis of the ocular complications related to diabetes and that they are referred for treatment at the optimal point in time. Year over year, OHIP data show almost a 40% increase in the number of services provided by optometrists to patients with diabetes across all age groups.

I can certainly tell you that in northwestern Ontario we have a large percentage of First Nations aboriginal peoples. The population is increasing, based on some of the recent StatsCan studies. They also have a very high prevalence and incidence of diabetes. We see those patients on a regular basis in our practice. I certainly see them on a daily basis. I think that problem will just continue to rise as the population increases in that group.

Given the government's commitment to developing a comprehensive diabetes strategy, OAO is calling on the government to work proactively with our association to include optometric services as a crucial component. By including comprehensive eye examinations in the government's plan, sight can be saved, particularly with our diabetic patients.

Secondly, I'd like to address the extension of our scope of practice to include TPAs. As most of you are aware, Bill 171 was passed this past summer, and also the Optometry Act from 1991 was amended. This act permits optometrists to provide medications to treat ocular disease and certain eye conditions.

In our view, this expanded scope of practice will allow optometrists to increase the capacity of the health care system to meet the needs of Ontario patients. It will also allow optometrists to respond effectively and efficiently to patients' needs while reducing health care costs by eliminating unnecessary referrals to other practitioners. It will assist the government in meeting its commitment to reducing emergency room wait times by keeping individuals with acute-onset eye disease such as iritis and conjunctivitis out of hospital emergency rooms and allowing them to seek treatment locally from their optometrist.

As I mentioned earlier, optometrists can be found in more than 200 towns and cities across the province, including many of our remote and underserved areas. With the growing shortage of physicians and specialists, optometrists are increasingly being relied upon to help manage eye disease in these communities. We certainly see that in northwestern Ontario.

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Therefore, OAO is calling on the government to work with us to develop and approve strong regulations that will ensure that Bill 171 delivers the broad health care benefits that Ontarians deserve, and thirdly, to continue to build on its commitment to providing a comprehensive

slate of family care services, including community-based eye care services for Ontarians.

Once again, OAO would like to recognize the efforts made by the government to address the need to adequately support primary eye care services. The new agreement negotiated between the Ontario Association of Optometrists and the Ministry of Health is an important step in maintaining and improving eye care services for Ontarians still covered through OHIP, and a welcome recognition of the critical role played by optometrists in its delivery. We are calling on the Ontario government to maintain its ongoing commitment to ensuring that community-based primary eye care remains available to all Ontarians.

To recap and to summarize, OAO is calling on the government to insert the following commitments into its 2008 budget: first, to work proactively with our association to integrate optometric services as part of a comprehensive diabetes strategy; secondly, to fulfill its commitment to extend the legislated scope of practice of Ontario's optometrists to include prescribing therapeutic pharmaceutical agents by reviewing the proposed draft regulations in a timely manner; and finally, to finalize negotiations with the association to develop new multi-year funding agreements for OHIP-insured optometric services.

On behalf of Barbara Wattie Fuller, our executive director, and the Ontario association, I certainly appreciate the opportunity to provide input through this presentation to the standing committee on finance and economic affairs. Thank you.

The Chair (Mr. Pat Hoy): And thank you. The questioning will go to the NDP.

Mr. Michael Prue: Thank you very much for travelling all the way. I guess you couldn't get in in Toronto so you came here?

Ms. Barbara Wattie Fuller: No, I came. Bill is from here.

Mr. Michael Prue: Oh, you're from here. Good; excellent.

This presentation—mostly what I'm seeing here is that the government has made certain commitments to the optometrists in the last couple of years, and you are simply, by way of this budget process, asking that they fulfill the promises that have been made. That's mostly what I read here. Is that correct?

Dr. William Ulakovic: Yes.

Mr. Michael Prue: Okay. The only thing that you're asking for in terms of additional funding, other than for the government to sit down and meet with you—and I found it here in page 4, the penultimate paragraph: "As the need for optometric services increases among patients with diabetes, additional funding must be provided to meet this demand and ensure these services remain available to those that need them." Have you given any thought to exactly how much money will be needed? This is the finance committee and we have to recommend additional funds and things like that.

Dr. William Ulakovic: Currently we've been undergoing negotiations with the Ministry of Health and Long-Term Care, and diabetes funding has been a big part of that negotiation process. With respect to the funding required, that number has been going back and forth even over the last couple of weeks. We just met with them yesterday, as a matter of fact. One of the items for discussion has been a diabetes premium that can be considered as an addition to the OHIP funding that is currently available for diabetics. Diabetics are covered at all ages with the new changes in the new OHIP agreement.

Ms. Barbara Wattie Fuller: I think one of our concerns, though, Mr. Prue, is that while there is budgeted growth year over year and perhaps a small amount in the volume delivery of services, because of the increase in the number of people with diabetes who need annual eye exams, they're going to have to find additional money if they want to meet the health care target of having those people have annual eye exams in order to save their sight.

Mr. Michael Prue: I understand that, but you are negotiating—

Ms. Barbara Wattie Fuller: I don't have a number for that. I just think that the small increases that are traditionally talked about in the 2% range will not cover the growth in the area of diabetic care.

Mr. Michael Prue: All right. So what we need to do, then, is to recommend an amount over and above normal inflation in order to cover the increase in people with diabetes to whatever amount that might be required.

Ms. Barbara Wattie Fuller: Yes.

Mr. Michael Prue: Okay. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Chair (Mr. Pat Hoy): I call on, as the sub-committee has agreed to, the Northwestern Ontario Municipal Association. I note that at least one of you has been here since 9, but I'm compelled to tell you that you have up to 10 minutes for your presentation. Five minutes of questioning might follow. Identify yourselves for our recording Hansard, please.

Mr. Larry Hebert: I'm Larry Hebert.

Mr. Rod Bosch: I'm Rod Bosch.

Mr. Iain Angus: And I'm Iain Angus. We are here on behalf of the Northwestern Ontario Municipal Association. Larry Hebert is the co-chair of the energy task force, a councillor with the city of Thunder Bay and retired general manager of Thunder Bay Hydro—so a lot of experience at the municipal level in terms of utilities. Rod is the retired operating supervisor for Hydro One for northwestern Ontario and one of our technical—there we go. Magic.

Mr. Chairman and members of the standing committee, first let me thank you for adding us into your already heavy schedule. We appreciate the opportunity to

provide you with information that we believe will help the government of Ontario in developing the upcoming budget and your committee in evaluating it. We also want to thank the committee for once again recognizing the vastness of this province by holding separate hearings in the northwest.

We were going to concentrate on three items today in our oral presentation: taxation, forestry and energy. You have the document. It's fairly lengthy. I would encourage you to read it because we're going to concentrate on energy. I think that the questions that the official opposition were putting to Mayor Peterson indicated an interest in learning what it is we're talking about when we say that we're into a crisis in energy in the northwest. So we're going to do a bit of an overview for you to make sure that you understand what we are facing. But let me say at the outset that if no action is taken between now and 2014, when our two coal-fired stations will be closed, the northwest will not have enough electricity to run its industries or supply all of its homes. It's that cut and dried.

You may think those are harsh words, but if you examine the Ontario Power Authority's integrated power system plan, you will find that when the 517 megawatts of thermal generation are removed from the system, we will be short 310 megawatts, and only if there is a surplus available from southern Ontario will we be able to reduce that to a shortfall of 10 megawatts. The availability of such a surplus is not likely to occur, given the significant and ongoing demands in southern Ontario. If there's ever a blackout in the south again, we will not be protected like we were last time.

In the meantime, we have a load of 990 megawatts, according to the OPA—in all of this, we're using their figures—and that load is after a number of our energy-consuming pulp-and-paper mills have closed their doors or shut down parts of their operations. We believe that under the current systems, both generation and distribution, it will be very difficult to provide the necessary power to enable the conversion of over 200 active mining claims into functioning mines.

I'd like Rod Bosch now to walk you through the presentation that he made before the Ontario Energy Board last week in support of the city of Thunder Bay, the town of Atikokan and NOMA's intervention.

Mr. Rod Bosch: Call the first one up there, Iain.

We put together a slide presentation because it allowed me to graphically demonstrate to the Ontario Energy Board and the Ontario Power Authority last week specifically what we were talking about.

These are OPA—Ontario Power Authority—figures. We currently have a capacity baseload of 990 megawatts in northwestern Ontario. That's supplied by 517 megawatts of thermal generation by coal and an additional 680 megawatts of hydroelectric generation by water power, for a total of a 1,197-megawatt capacity to supply our baseload. It obviously leaves us with a surplus of 207 megawatts, which we traditionally ship eastward on the east-west tie lines through Marathon and Wawa.

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In 2014 we will still have this 990-megawatt baseload. We will have a 680-megawatt hydroelectric supply but no thermal. Our only alternative will be to transfer 300 megawatts of generation supply on the east-west tie lines into us, the exact opposite of what we do today. That will still leave us 10 megawatts short, and that doesn't allow for us in the future to have expansion of any loads up here whatsoever—no new industries; nothing. There's no recognition of that in the plan.

Mr. Iain Angus: I should point out, Mr. Chairman and members of the committee, that in the middle of your package you'll have a set of these slides in colour.

Mr. Rod Bosch: We should look at a worst-case scenario, something we just experienced for the last three years here in northwestern Ontario. Traditionally, they empty the watersheds during the wintertime and early spring in preparation for spring rains to fill the watersheds back up. But for the last three years, we've experienced drought situations and we've been down to 226 megawatts of hydroelectric supply, and we still have our 990 megawatts of baseload needs. So you would bring in 300 megawatts on the east-west tie; it still leaves us 464 megawatts short. If you brought in 300 megawatts from the Manitoba ties—and that's the maximum they can transfer as well—we'd still need 464 megawatts.

Mr. Iain Angus: Again, as we pointed out in the opening comments, we're not always guaranteed that there's going to be power available from the east because of the demands that are occurring there.

Mr. Rod Bosch: The other worst part about that is, once again, if we did have any expansion of load up here, we'd be in even more trouble.

One of the reasons that we've shown the 330 megawatts either/either is that in storm conditions the mode of operation is to zero the tie line to zero megawatts to protect it from tripping and causing even more problems. Our tie lines run from west to east, and strangely enough, that's the way the storms run: from west to east. So traditionally, if a storm comes in through Manitoba, the Manitoba ties would be zeroed, and as it moved eastward, the east-west ties would be zeroed, still leaving us with a huge shortfall in megawatts.

Mr. Iain Angus: Let me now ask Larry Hebert if he will talk about this phenomena called—I forgot the name of it—

Mr. Larry Hebert: Inertia.

Mr. Iain Angus: —inertia, which we've just now learned about in terms of the system in the northwest.

Mr. Larry Hebert: Thanks, Iain. Thanks again to the panel. "Inertia" is a technical term. I'm not going to get into the technical side of it too much, but basically it comes from within a hydro system from a couple of sources: Generation is one, and the other is equipment hooked up by customers, and we have both in the area. About 40% of the inertia in the system in northwestern Ontario comes from the two coal plants—three turbines; there are two in Thunder Bay and one in Atikokan, and that represents 40% of the inertia in the system in

northwestern Ontario. The other 40% from the generation side comes from the area that Rod alluded to, the 680 megawatts of various dams we have around the area, and that produces inertia as well. The other 20% comes from equipment from customers hooked up to the system: motors that turn in large pulp mills, etc. It's very important to have inertia in the system so that you have capabilities of black start and other things. If you don't have that kind of capability, then you have all kinds of problems keeping stability in your system. Inertia is mainly required for stability in systems.

The other thing that we do have a plethora of in northwestern Ontario is radio feed lines—very weak in terms of producing, because once a radio feed line is cut off, then the power is out until you get it back up. If you have looped lines, then you can feed from another direction and only a small section of a line is filled out. But in northwestern Ontario, the tendency is for many radio feed lines, and that creates all kinds of problems for us in terms of outages.

Mr. Iain Angus: In your package, you'll find the full testimony before the Ontario Energy Board last week, not only by the lawyer whom the city of Thunder Bay hired, Rod Bosch, who represented Noma, but Mayor Dennis Brown from Atikokan and Mayor Anne Krassilowsky, the president of Noma, who both spoke about the impacts that this current version of the plan will have on the northwest. We would encourage you to go through and read that.

At the OPA, we said, as Mayor Peterson said this morning, that we want you to go back to the drawing board. The plan was cobbled together; it didn't deal with the realities of the northwest. And I should point out: This is not about coal per se. This is not a back-door way to keep coal. That's not to say that we don't want that, but this is saying, regardless of the type of fuel, we need the generating stations to remain functional because they provide the baseload. That provides us with the stability.

Water can't do it, because it's not consistent because of global warming and all the other factors. Even the new water that's out there is too far away to fit into the grid, as well as not being sustainable. The Little Jackfish River, which is in the plan, will probably only operate four hours a day, because it's not something where you're going to build a big reservoir. It's an existing river system. You'll use what water is there and then hold back a little bit until you get enough for another four-hour surge. So there are not real opportunities for us to replace it. Even wind and solar: really nice to do, really good for the environment, but again it doesn't help run a paper mill that likes to run 24/7, 365 days of the year. So there are major issues that we've got to consider.

In addition to what we're doing before the OPA, though, we think there is a political solution, and that's what we're asking you to take: to recognize that there's a problem. It's one of those laws of unintended consequences. I know that all parties who had positions with regard to the generating stations had not been aware of those kinds of ramifications, and we respect that, but we

need the government of Ontario to immediately commit to maintaining the two thermal generating stations and to convert their fuel source to a cleaner, low-cost alternative.

That's it in terms of our energy presentation. I do want to add one final comment, Mr. Chairman, before we turn it over to you, if I have a minute left.

The Chair (Mr. Pat Hoy): Thirty seconds.

Mr. Iain Angus: Our sawmills are in real trouble. We probably only have one sawmill operating in all of northwestern Ontario today. We don't have a specific solution to offer you. What we're doing is appealing to you: Use your talents and the talents of the bureaucracy to figure out a way that we can help these mills get reopened, because it's hurting town after town after town.

Mr. Chairman, members of the committee, thank you very much for the opportunity, and, again, thank you for fitting us into your schedule.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the government.

Mr. Charles Sousa: Thank you very much, gentlemen, for being here today and giving a lot of thought to the situation. In recognizing the problem, I think it's prevalent right across the province, not just here in the north, but certainly in some of the discussions we've had over the last few days in consultations with others, energy and pricing has been an issue.

We have to, of course, maintain a balance between the environmental concerns, the economic well-being of the industry and the residents, as well as health and safety issues.

You talked about the instability of supply. My read here is that you're going to need around 900 megawatts, going forward, that's stable as a baseload. Alternatives that you spoke of are thermal, wind or solar, which are not necessarily as stable as you'd like; the other one is gas. Then there's the concern of emissions, with small particulates, like 2.5 and 10, that still come out of the gas-fired generators, right? Also, we don't want, then, to rely on other jurisdictions that create dirty energy.

So I guess my question to you is, while trying to maintain all this, and recognizing the impacts it has on the forest industry, and while we've maintained certain caps and some rebates, up to \$23 million, to try to facilitate the forest industry, have you given some consideration to or has there been any discussion around other alternatives, like nuclear?

Mr. Iain Angus: Nuclear is not seen as an option for the northwest, just because of our size. I can't foresee spending the multi-billion dollars that you need to create a nuclear plant to provide for 990 megawatts. It would not be good use of public dollars, irrespective of the philosophical debate. It's not cost-efficient to do that.

Mr. Charles Sousa: You're recommending scrubbers on your existing plants, which probably already occurs.

Mr. Iain Angus: No, there are no scrubbers on any of our plants up here, although it's important to note that there was a news report in the last week that indicated that Thunder Bay had the cleanest air of any city in

Ontario. That's with a coal-fired generating plant that is pumping out electricity today.

Mr. Charles Sousa: Now, you've been an exporter of energy in the past.

Mr. Iain Angus: Yes.

Mr. Charles Sousa: Are the gas lines close to you? Is that a viable solution?

Mr. Iain Angus: The gas lines have come through here, and you'll recall that a question was put to Mayor Peterson about what happened to the planned conversion. Quite frankly, we stopped it. We got together and we said, "The province hasn't done an environmental assessment on the conversion or the closure of the coal plants, and that should be done before anything happens." We were able to use what levers we had to cause a fair amount of grief, and although the pipes, I think, are still sitting in the yard somewhere, the project funding was cancelled by the province. We don't think that's a viable option, given the cost of natural gas, plus we just found out that there is a natural gas plant at Vermilion Bay that puts more pollution into the atmosphere than either of our two generating stations.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Tim Hudak: On a point of order, Mr. Chair—and thanks, gentlemen, for your presentation. It wasn't directed to yourselves. It was an excellent presentation.

Mr. Sousa raised the notion of a nuclear plant in Thunder Bay or northwestern Ontario. This is news to us. I don't know if this is something the Liberal government is contemplating, if it's Liberal government policy. So I don't know if Mr. Sousa has particular knowledge—

The Chair (Mr. Pat Hoy): That's not a point of order.

Mr. Tim Hudak: Well, let me ask, Chair, if he would clarify his comments about a nuclear plant for northwestern Ontario.

The Chair (Mr. Pat Hoy): I would read the Hansard.

Mr. Tim Hudak: On a point of order, Chair—

The Chair (Mr. Pat Hoy): I heard it as a question, Mr. Hudak.

Mr. Tim Hudak: The discussion we just had was on energy supply policy, this presentation, and it was the main point of discussion here today. The numbers were clear in their presentation. This is a major suggestion that hasn't been posited before about a nuclear plant in Thunder Bay. I'm simply asking, if not Mr. Sousa then maybe another member of the Liberal panel, if they would instruct us, as we're leaving Thunder Bay now to go down to Toronto, if that is a serious consideration, to put a nuclear facility in Thunder Bay.

The Chair (Mr. Pat Hoy): I heard it as a question to the deputant and the presenters.

Mr. Bill Murdoch: They might want to answer, though.

The Chair (Mr. Pat Hoy): They did.

Interjections.

Mr. Tim Hudak: On a point of order, Chair: I'm simply asking if Mr. Sousa cares to clarify. I'm just asking, through you—

The Chair (Mr. Pat Hoy): We don't provide for questions back and forth across one party to the other.

Mr. Tim Hudak: Sure you do. You're allowed debate at committee, Chair. With all due respect, you're allowed debate at committee, and I'm asking a simple question.

The Chair (Mr. Pat Hoy): We can discuss it at report-writing time.

Interjections.

The Chair (Mr. Pat Hoy): Order. This can be discussed at report-writing time, if members care to.

Interjection.

Mr. Tim Hudak: This is simply the last item, Chair—

The Chair (Mr. Pat Hoy): We are adjourned.

The committee adjourned at 1252.

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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Official Report of Debates (Hansard)

Monday 28 January 2008

**Standing committee on
finance and economic affairs**

Pre-budget consultations

Assemblée législative de l'Ontario

Première session, 39^e législature

Journal des débats (Hansard)

Lundi 28 janvier 2008

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires



Chair: Pat Hoy
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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 28 January 2008

Lundi 28 janvier 2008

*The committee met at 0848 in room 151.*PRE-BUDGET CONSULTATIONS
COUNCIL OF ONTARIO UNIVERSITIES

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. Good morning, everyone.

The first presentation of the morning will be the Council of Ontario Universities, if you could come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard, and you can begin.

Mr. Paul Genest: Good morning. Thank you very much. My name is Paul Genest, president of the Council of Ontario Universities.

Mr. Sheldon Levy: My name is Sheldon Levy, presentation of Ryerson University.

Mr. Paul Genest: Thank you all very much for the opportunity to be here with you today to talk about Ontario's universities, which we regard as a critical part of Ontario's economy, culture and society. Though Sheldon is the president of Ryerson University, we are both here on behalf of all of Ontario's 18 universities.

I would like to say at the very outset that the Ontario government has really taken a leadership role in advancing higher education in this province. We have seen in the Reaching Higher plan and budget of 2005 the strongest commitment to post-secondary education in the past 40 years. It really provided tremendous support to the sector. It enhanced access for students, many of whom otherwise would not have attended higher ed, and it expanded graduate spaces by 14,000 places. It's been a tremendous investment and a tremendous boost.

I need also to say, I think, that the Ministry of Research and Innovation has introduced a number of funds and programs that are boosting research efforts tremendously in our province.

It's our sense, reading the speech from the throne, that continued support was signalled for our sector. We believe that the track record is there and the commitment has been clear, and we would very much like to continue working with the government and indeed with all parties to build on this strong foundation to research and higher

learning to ensure that Ontario students and researchers can compete with the best anywhere in the world.

Mr. Sheldon Levy: Thank you for inviting us as well. I wanted to touch a bit on the provincial priorities. The government has announced its priorities for this mandate, and they include economic development, innovation and poverty, including the advancement of aboriginal peoples, first-generation students and persons with disabilities. Universities are strategic partners in all of these areas. Our most important results, though, are our graduates, who walk out of our gates with a sophisticated skill, a commitment to learning, and a civic engagement that lasts for the rest of their lives.

Let me take economic development. Universities are the hubs of local innovation and economic activity, enhancing the competitiveness of car plants in Oshawa and Windsor, mining companies in Sudbury and high-technology companies in Waterloo and Ottawa, to name just a few.

On innovation, universities are achieving groundbreaking success both nationally and globally, pushing the boundaries of knowledge in quantum computing, environmental issues, biosciences and health care, information and communications technology, urban planning, robotics—and the list could go on.

Research in Ontario leads the country, and industrial design accounts for the largest number of patents granted in Canada and for almost half of the registered trademarks.

On the poverty agenda, universities are enhancing efforts to attract and retain students from under-represented groups, conducting research and engaging community development work. If I could use the University of Guelph as an example, they have doubled the number of aboriginal students through outreach that began as early as grade 7. At Ryerson, we are very, very proud to have pioneered a program called disability studies. It is the only degree program of its kind in Canada. Universities are committed to enhancing these efforts to help the government advance its priorities.

At the same time, our universities embrace accountability, reporting publicly on results achieved. Every university has signed what we call a multi-year accountability agreement, and we have worked well with the Auditor General to address space utilization and deferred maintenance issues.

Ontario can be very proud of its universities. Universities educate students and prepare our next gen-

eration of leaders, cultivate the spirit of inquiring enthusiasm for learning that produce cutting-edge research, and generate ideas that drive innovation.

Our universities provide an excellent preparation for the labour market as well. Just a few statistics that may be of interest: Six months after graduation, 92% of all university students are fully employed, and if you look two years out, it's 96.3%. These are highly qualified personnel for whom the labour market is indeed hungry. To realize provincial goals for the best-educated, most productive workforce, we need to make our excellent university sector that much better.

Mr. Paul Genest: Thank you, Sheldon. The good news is that university applications in Ontario continue to rise. They are up 4.8%, nearly 5%, for the fall of 2008, continuing a trend of increases that we've been seeing over the past decade. There has been a 40% increase in applicants to universities since 2001. If we just think for a moment, the double cohort saw 102,000 applicants. We considered that a double year, of course. This year, we've seen 82,000 applicants. So what we're seeing is that we're approaching a sort of "new normal" here that is much higher than traditionally.

Some may see this growth as a problem, but we actually consider it an opportunity for the university sector and for this province. It's an opportunity to help achieve the government's goals for a better-educated, more productive workforce, driven by a growing recognition of the importance of a university education. Some estimates indicate that 70% of new jobs will require it in the knowledge economy. It is also assisted by the generous increases to student aid from the Reaching Higher plan, making it easier for more students to attend.

The challenge, of course, is providing spaces for every qualified student. We need to hire the faculty; we need to build the new classrooms, the labs and the study areas. We need to modernize our buildings. Most importantly, we need to preserve the quality of the learning environment. Ontario lags institutions, we've discovered, in the United States and other jurisdictions on a variety of measurements of quality, as benchmarked by the National Survey of Student Engagement. According to our analysis, higher student-faculty ratios in Ontario are having a big impact on this. The student-faculty ratios are now at approximately 26 to 1. This is up from 17 to 1 in 1990, and it's much higher than in publicly funded universities in the United States. These ratios, of course, affect the quality of the learning experience by reducing time for interaction, mentoring and engagement with faculty. Academic infrastructure also needs to be modernized and replaced to address changing technologies, learning environments and research needs.

Graduate students: Studies indicate that we produce only one half the number of masters degrees and two thirds the number of Ph.D.s that the United States does on a population basis. Industries and public sector organizations such as electrical utilities and transit authorities are coming to universities urging us to help them address their human resource needs.

Ontario is in the midst of a provincially funded expansion, supported by Reaching Higher, and this has been tremendous. But a new plan is needed if we are going to meet the requirements for research, replacement of retiring faculty and supplying the highly educated personnel that are needed by the private and public sectors. We need to respond, and respond smartly, in partnership with you, to ensure student access, research success and Ontario's success.

We are looking to this committee to offer support, if they agree with our analysis, for the following four items:

First is investment in the quality of the learning experience by providing funding to reduce student-faculty ratios and increase student-faculty interaction. Together, we'd like to set targets with you and strive to reach them in the spirit of accountability that the government has so clearly embraced.

Second is the development of a plan to ensure the continued expansion of the number of graduate students after the Reaching Higher targets have been met, and increased support through the Ontario graduate scholarship program. This would help to fuel research, assist with teaching loads, and provide the platform for future faculty to replace the growing number of retirees.

The third item is campus renewal to address the \$1.6 billion needed for revitalization of labs, libraries and classrooms. This is the amount that was identified in the Auditor General's report of December, where he looked at space utilization on the campuses. This will help ensure that they are suitable for cutting-edge research, new technologies and changing learning environments.

Finally, in the way that the government has looked at infrastructure on a long-term basis for energy, for transit, for water, for roads, for sewers, we believe that a long-term capital plan of this nature for universities would be appropriate. This would invest in knowledge infrastructure as a critical piece of the province's public infrastructure plan.

Ontario universities truly are strategic partners in provincial prosperity and the priorities that the government has identified. We look forward to working with you on them, and we'd be very pleased to answer any questions you may have. Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the official opposition.

Mr. John Yakabuski: Thank you very much for joining us this morning, gentlemen. You touched on the student-faculty ratio of 26 to 1. That has changed, you said, from 17 to 1?

Mr. Paul Genest: That's correct. In 1990, it was approximately 17 to 1.

Mr. John Yakabuski: You also highlighted the replacement of faculty leading to the improvement of that ratio as one of the priorities. Of course, if you don't have the pool to draw from, how do you change that faculty ratio? It's sort of the horse and the cart, the chicken and the egg sort of thing. It would look to me, especially when you're talking about retirements, that we could see

that ratio actually get worse before it gets better. What kind of long-term strategy have you seen from this government that would lead you to believe that this number is likely to be improved in the near future?

Mr. Paul Genest: Great question, and I think that probably I did not draw the links closely enough in what I said about the investment in the graduate students. That is an absolutely key part of it.

Mr. John Yakabuski: I did pick that up.

Mr. Paul Genest: Certainly, we need the investment in graduate students for the sake of being competitive with what we see south of the border to us in terms of the number they are putting out and what that means for their labour market in a non-academic sense. But there's an academic labour market as well, and you're right to point to that. That is the reason we are calling for further investment in graduate students. As I said, we need to give credit for the investment in the Reaching Higher plan, 14,000 more graduate students. That's almost a 50% increase from the number we had. Yet more are needed, particularly as we see these faculty members retiring. So what we're hoping for is to see a redoubling, as it were, of the government's commitment that was made in the last mandate. That's what we're hoping for.

0900

Mr. John Yakabuski: Because you've identified \$1.6 billion as, if you want to call it, an infrastructure deficit or what you require as capital investment to improve the facilities. I didn't hear a number, and I don't have the figures in front of me as to what the government's commitment is, but you're saying that in order to achieve those goals, we would have to double the amount of investment.

Mr. Paul Genest: No, and I would change that—apples and oranges, if I may. In the Auditor General's expanded mandate, he's now responsible to follow the money, as it were. That includes universities, and we welcome this attention. This year, he looked at three universities as a sample to identify how we were doing on the utilization of our space.

In his report, he acknowledged that there was \$1.6 billion in deferred maintenance across our university system. This is a problem that has been getting worse over the years. The government does give \$40 million a year to PSE to address deferred maintenance, but more needs to be done. We're in close dialogue with the government, encouraging them to put us in a position to respond to what the auditor has reported as some of the shortcomings.

We can accommodate more students if we can modernize the space, and some places are just not suitable because they can't take the equipment that you need to put in; the class space configuration isn't there; you can't do distance learning from it in terms of accommodating technology. So I would treat that capital issue as distinct from the graduate student question.

Mr. John Yakabuski: Talking about—

The Chair (Mr. Pat Hoy): Thank you, and thank you for your submission.

Mr. Paul Genest: Thank you for the questions. We appreciate it very much.

FEDERATION OF RENTAL-HOUSING PROVIDERS OF ONTARIO

The Chair (Mr. Pat Hoy): Now I call on the Federation of Rental-housing Providers of Ontario to come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. David Horwood: Good morning. My name is David Horwood. I'm the assistant vice-president of Effort Trust and the chair of the Federation of Rental-housing Providers of Ontario. I'm accompanied by Mike Chopowick, our manager of policy, to my right, and Vince Brescia, our president and CEO.

The Federation of Rental-housing Providers of Ontario is the province's leading advocate for quality rental housing. We represent a wide range of multi-residential housing providers, from the smallest landlords—mom-and-pops—to the largest property management firms, as well as related industry suppliers and professionals from across Ontario. FRPO represents over 800 members who supply and manage homes for over 250,000 households. As a province-wide non-profit association, our objective is a balanced and healthy housing market with a vital rental housing industry, choices for consumers, adequate government assistance for low-income households and private sector solutions to rental housing needs.

Our input today will review some of the key problems facing Ontario's rental housing sector and briefly describe how the 2008 budget can offer solutions to ensure Ontarians have access to the availability of quality rental housing accommodations. Our written submission makes four recommendations to strengthen the rental housing sector and improve housing affordability, including eliminating property tax inequity on multi-residential properties, improving the design of the recently launched ROOF housing allowance program to provide assistance to as many working families as possible; and achieving significant electricity conservation by making it easier to implement smart meters in Ontario's rental housing stock. In our presentation this morning, however, we will focus on our first recommendation—increasing the provincial rental guideline—due to the critical impact of strict rent controls on rental housing availability and quality.

Mr. Michael Chopowick: This morning we are calling on the province of Ontario to repeal the unfair and punitive 2008 rent guideline—which is the lowest in the province's history, at 1.4%—and restore fairness to the treatment of rental housing providers in Ontario.

The reasons for allowing a higher rent guideline are many, and include the following: First of all, overly tight rent controls reduce government tax revenue. A study commissioned by FRPO in 2004 showed that just by

preserving vacancy decontrol, the provincial government avoided \$175 million in lost property taxes, sales taxes, income taxes, capital gains and land transfer taxes, as well as increased program costs for tenant assistance. The current 1.4% rent guideline, which applies to the vast majority of Ontario's rental housing stock, is undoubtedly having a negative impact on provincial government tax revenue, but we have lower investment and fewer jobs.

Second of all, today's market conditions make the rent guideline unnecessary. Rents in Ontario have declined in real terms for five straight years and, according to CMHC, are at 1999 levels. Vacancy rates have extraordinarily remained above 3% since 2003 and are now at 3.3%. These ideal rental market conditions have taken hold following the decontrol of rents for vacant units. Easing the rent guideline for all rental units would stimulate investment and provide tenants with an even healthier rental market.

Data in our written submission, which you have, shows that actual average rent increases by landlords in Ontario have remained below the rent guideline limit for each of the past eight years. This confirms that increasing the rent guideline will not result in widespread excessive or unwarranted rent increases by landlords.

Thirdly, the 2008 rent guideline falls far below the increased industry costs that landlords are facing in many key areas today. At 1.4%, this does not come close to keeping up with property tax increases, which are up 3% on average; wages, up 3.8%; mortgage interest costs, up 6.7%; and energy and utility costs, up 7.9%. In some cities, such as Toronto and Hamilton, water rates are increasing at over 10% per year. These costs, among others, are real and tangible expenses in the operation of rental housing in our province. Any rent guideline must allow for full recovery of those price increases.

Another reason is that the rent guideline is inappropriately based on the consumer price index. While this results in more predictable and transparent rent guidelines, it also means that rents are now being based on a basket of goods that has nothing to do with rental housing costs. Based on this weighting, rental housing costs are influenced by price changes in completely unrelated goods and services—for example fruit, vegetables and footwear—which during 2007 happened to drop in price, thereby unduly weighing down the rent guideline. Unbelievably, even cigarettes constitute over a 1% weighting in Ontario's rent guideline calculations.

What the rent guideline should do is to allow for complete cost recovery of both industry costs and the professional expenses associated with running a well-maintained building with high-quality service. Re-instating the pre-2004 formula, which is cost increases plus an additional 2%, would be a good start. This additional 2% would cover most abnormal utility or tax increases and allow landlords to catch up for years when they do not take a rent increase. That lets the market serve its proper function of allocating available rental units and encouraging investment in more housing

supply. The 2% base increase also encourages the repair and renovation of rental properties and covers the cost of interest on investment. Ontario's rent guideline now allows no such incentive, and in fact little ability, to do so.

Finally, Ontario's rent guideline is unusually strict compared to all other Canadian provinces. Six provinces in Canada have no rent controls or guidelines, while the ones that do allow for greater increases than Ontario. This is nothing to be proud of, and will only lead to less availability and lower quality housing for tenants.

The 2008 rent guideline of 1.4% is the lowest in our province's history of peacetime rent control. This low limit underscores the need to act this year to reform the guideline formula to include an additional 2% increase above the consumer price index, similar to what British Columbia now does. Thank you.

Mr. David Horwood: If I may provide a few extra points with respect to the apartment market: We're in a prolonged period of high vacancy across the multi-family housing sectors. Literally thousands and thousands of apartments are available for rent today. I saw them in Hamilton when I left, in Burlington when I drove through, and Oakville, Mississauga and Toronto, and this is just on the west side of Metro.

A special note relating to the rents: For the third year in a row, the vacancy levels are highest at the lowest end of the market. Clearly, we've got an availability of rental housing product, and we know that by most measurements, the affordability of the product is extremely favourable. In the face of a dramatic drop-off in economic activity as a result of uncertainty in the housing and construction markets and considering the age of buildings that exist in our province, now is the time to reinvigorate our rental housing industry. Allow us to repair, renovate and upgrade our properties.

We wish to encourage investment in the multi-family industry. The unfairly low provincial guideline is working against tenants, present and future, and acts as a major deterrent to the revitalization of the rental housing industry.

Thank you for the opportunity to address you today. It would be our pleasure to take any questions that you may have.

0910

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP.

Mr. Michael Prue: A few questions. You started out, in item number one—you used a different word than what is in the written text. You said, "by supporting vacancy decontrol," and in here you have "eliminating." They seem to be at odds. Which one—

Mr. Michael Chopowick: What we said in the written note is that if the province eliminated vacancy decontrol, provincial government tax losses would have been—

Mr. Michael Prue: It doesn't say "if" here; it says "by." I just want to be clear on what you're saying. So what's here is not right.

Mr. Michael Chopowick: It's correct. "By eliminating vacancy decontrol, provincial government tax losses would have been \$175 million," hypothetically. But that didn't happen.

Mr. Michael Prue: The second one is in point number two. I have to tell you, I fail to see the logic, but perhaps you could explain it to me in a little bit more detail. You say, "These ideal rental market conditions have taken hold following the decontrol of rents for vacant units," so they're ideal. Then you go on to say, "Easing the rent guideline for all rental units would stimulate investment and provide tenants with an even healthier rental market." If they are already ideal, why would this government do anything to change them?

Mr. Michael Chopowick: Well, certainly it's a renter's market right now; there's no doubt about that. Vacancy rates are high and rents in many major centres are quite affordable. That's why we're making the case that one of the largest causes of these positive market conditions was the decontrol of rents in vacant units. We think that by adjusting the guideline and allowing for an easing of rent controls in Ontario, you'd have even more ideal rental market conditions.

Mr. Michael Prue: So it's a question of ideal versus more ideal.

Mr. Michael Chopowick: If you look at the history of rent control in Ontario since 1975, whenever rent controls have been more restrictive, that has resulted in lower vacancy rates and higher rent increases for tenants, lower quality and less choice.

Mr. Michael Prue: Part of what you didn't state today but which is included in your package is the issue of sub-metering to allow tenants to improve conservation. Ordinarily, I think everyone would agree that's a good idea. Unfortunately for tenants, in many buildings—not all buildings, but in many buildings—they have antiquated equipment: 20-year-old refrigerators, 20-year-old stoves that are not energy-efficient. Why would tenants want to pay for sub-metering when the landlord has failed to provide energy-efficient appliances?

Mr. Michael Chopowick: There's an answer to that. Whenever tenants are given responsibility for their own individual electricity billing, they receive a corresponding reduction in their rents to adjust for that. In buildings that are old or maybe inefficient, those tenants will receive larger rent reductions that correspond to their above-average electricity consumption.

Mr. Michael Prue: I do know of many tenants, and I've been in their apartments, where the landlord has not kept up with the heating costs and tenants are forced to use electric heaters. Some of them even open the door on the stove in order to keep the apartment warm. Why would tenants want to pay the sub-metering if the landlord has failed to do what the landlord should have been doing all along?

Mr. Michael Chopowick: Due to that restrictive rent guideline, Ontario landlords have limited ability to make those types of investments.

Mr. Michael Prue: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

FAIR DEAL FOR OUR CITY COALITION

The Chair (Mr. Pat Hoy): Now I call on the Fair Deal For Our City Coalition to come forward, please. Good morning. You have 10 minutes for your presentation, and there may be up to five minutes for questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Claire Hopkinson: Claire Hopkinson.

Ms. Ann Dembinski: Ann Dembinski.

Mr. Franz Hartmann: My name is Franz Hartmann. I'm the executive director of the Toronto Environmental Alliance and I'm here with my community and labour colleagues Ann Dembinski, president of CUPE Local 79, and Claire Hopkinson, executive director of Toronto Arts Council.

We are representing the Fair Deal for Our City Coalition, which is made up of over 20 community, labour and ethnocultural organizations in the city of Toronto. The coalition came together because our city sends billions of tax dollars to Queen's Park and Ottawa every year, yet Toronto only gets 6% of all the taxes that are raised in this city to deliver all of its services. In spite of sending huge tax revenues to the provincial and federal governments, the unfair downloading of social service costs, aging social housing properties, court security and transit costs makes it impossible to balance the books for Ontario's capital city. While many of the Fair Deal partners supported the city's new revenue tools, we maintain that the city needs secure funding for services it is expected to deliver.

The fiscal crisis in Toronto is directly linked to the failure of the provincial government in not dealing with its fiscal obligations to our community. Since amalgamation, Toronto has had to deal with funding mandated provincial services without the financial resources from Queen's Park to pay for these services.

We want Toronto to have a secure fiscal framework. We have three recommendations that we believe need to be addressed in this year's budget to assist our community.

(1) Provide the necessary funds, \$300 million, to do the essential repairs to social housing.

(2) Develop a permanent funding formula for operating public transit.

(3) Upload the costs of social services immediately. Toronto paid \$729 million last year for programs that no other province makes cities pay for.

As we have raised these demands, other cities and communities across Ontario have been raising similar concerns in trying to balance their budgets. Look at Windsor, Hamilton and Ottawa as examples. This is not just a Toronto crisis; this is a provincial challenge.

Now let's hear from Ann and Claire.

Ms. Ann Dembinski: Mr. Chair and members of the committee, my name is Ann Dembinski. I am the president of CUPE Local 79. With more than 16,000 members, we are Canada's largest municipal local. We represent the inside workers at city of Toronto, Toronto Community Housing, and we also represent both the service unit and the nurses and paramedical unit at Bridgepoint Hospital. We are a rather unique local.

Each and every day, Local 79 members work hard to make the city of Toronto work for the people who call our city home. We keep the drinking water safe, we look after the elderly in Toronto's homes for the aged, we provide affordable child care in 52 centres across the city, we deliver critical public health programs, and we keep the parks and streets clean, among many other roles and responsibilities.

Our members are immensely proud of the contributions they make toward making Toronto a truly great city. Our members have been repeatedly recognized nationally and internationally for excellence in efficiency and innovation.

However, performing our work is becoming increasingly challenging as a result of the city's tenuous fiscal situation. On the front lines, we have had to make do with less. Staffing levels are frozen. Important programs are reduced or eliminated altogether. This is unsustainable. The city of Toronto simply cannot continue down the present path. That's why Local 79 has joined with like-minded community organizations to demand a fair deal for our city.

The downloading of provincially mandated programs and services has placed an extremely heavy financial burden upon the city of Toronto. Our members deliver these programs and services to the best of their ability and look forward to continuing to do so long into the future, but there needs to be the realization that stable, long-term funding must be provided by the province of Ontario in order for these programs and services to cope with the demands of a growing and dynamic city.

With the 2008 budget, the present government has a historic opportunity to undo the legacy of the previous government. Torontonians, who just recently gave this government a strong mandate—including many members of Local 79, I will remind you—are counting on the province to deliver.

My colleagues and I have come here today with recommendations. We trust that you will seriously consider them and that they will become part of the budget that we so eagerly await. This will allow Local 79 members and all city of Toronto employees to continue to deliver the quality programs and services that Torontonians have come to rely on and expect.

0920

Ms. Claire Hopkinson: Thank you, Mr. Chair and members of the committee. My name is Claire Hopkinson and I'm the executive director of the Toronto Arts Council, which is the city's arm's-length funding organization. Through the Toronto Arts Council, the city provides about \$10 million to 450 arts organizations

every year, who in turn produce 18,000 arts events seen by 7.5 million people. These arts organizations are a key part of the city's cultural sector, which employs 100,000 people. But today I'm here as a member of the Fair Deal for Our City Coalition.

When a city as big as Toronto is deprived of the means to sustain itself, the impact stretches far beyond that of potholes and infrastructure and into the realm of overall prosperity, community engagement and quality of life. Municipal investment in the arts is the wellspring from which all other investment flows. The Toronto Arts Council opens the door to investment from all other levels of government as well as from ticket sales and private sector philanthropy. From their first TAC grant, many of Toronto's greatest arts organizations, such as the Toronto International Film Festival Group, Soulpepper and the International Festival of Authors, have grown to contribute to the region's economic vitality.

Thus, it's bad news for the city and bad news for the province that Toronto funds its artists at a much lower level than any other comparable major city in North America. Montreal, Vancouver, Chicago, New York and San Francisco are all able to invest in the arts at rates between 1.5 and six times what Toronto is able to invest, and Richard Florida's research demonstrates that arts and creativity are fundamental to a region's competitiveness. If we want to attract tourists, if we want to attract corporate head offices and to engage creative workers and youth, we should be increasing our investment in the arts. And certainly the province benefits financially every time this investment is increased. Tourism dollars, provincial sales tax and income tax all grow when artists and the accompanying creative industries move into a neighbourhood.

For the city, on the other hand, with its limited revenue sources, the arrival of artists actually adds to costs. For this reason, it's hard for a city to invest in its artists at the best of times. But we have assurances from council and the mayor that when the provincial funding formula is remedied, the city's investment in culture will be increased. So for this reason, in addition to those expressed by my colleagues, I urge the standing committee to commit to covering its costs and reimbursing its municipalities for provincial expenses.

Thank you very much.

Mr. Franz Hartmann: Finally, I want to say a few words about the environment, and I want to remind the committee and the Chair of a report that was submitted to then-Prime Minister Tony Blair in October 2006 by the World Bank's former chief economist, Sir Nicholas Stern. He noted that the cost of climate change would be approximately 1% of global GDP. Let me rephrase that. If we want to get a handle on climate change, we have to invest essentially 1% of global GDP. If we do not do that, the cost to the world economies will be anywhere between five and 20 times that great. In other words, his message is simple: Invest now to save a huge amount of money in the future.

We're asking you today to do that for cities. Cities are the front line in fighting climate change, and we know

that the Premier is committed to helping curb global warming. For that to happen, cities have to be the ones implementing the policies that reduce our greenhouse gas emissions, because that's where most Ontarians live. So we need money to make sure that we don't spend a huge amount more in the future.

Finally, I just want to note that we know Minister Watson is meeting with AMO in Toronto to resolve the upload-download issue. We were expecting to hear from the government on this sometime in late February, and we're hearing that this will be delayed. Municipalities like Toronto, Windsor, Hamilton and Ottawa cannot afford to wait. Our cities and communities need a fair deal and Queen's Park needs to pay its bills.

Thank you very much.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will get to the government.

Mr. Wayne Arthurs: Thank you, Mr. Chairman, and I thank each of you for being here this morning. It's getting our Monday off in a fine way with the broad perspective that you bring.

My new riding is kind of an interesting one, because it's the only riding, I think, in Ontario, certainly in the GTA, that spans both Toronto and the 905 regions, being Pickering-Scarborough East, so I get to wear this dual hat sometimes with the challenge municipalities face. Coming from a municipal background, I often like to look at it from the broader municipal context as to what we are doing as government and what we can do to support municipalities, and also, in doing that, recognize unique municipal situations, whether it's Toronto, being the largest city and the engine that drives the province, and in many cases the country, or the smaller municipalities that struggle as well with significant tax increases because of infrastructure deficiencies or the legacy—I think that was your word—of the downloading that occurs.

I think one of the big challenges we've been facing over the past four years now, and will continue to face, is the capacity to move forward within the agenda that we've set out, the key priorities, while at the same time addressing what you would like us to address in a full way, and that's reversing the situation that occurred with substantive downloading over a number of years. We're finding that particularly challenging. We're finding a challenge in meeting our own obligations as we see them on a go-forward basis and at the same time playing a lot of catch-up with what happened in the past.

Just quickly, during the first mandate we moved the public health costs from 50% to 75% onto the provincial budget. We committed to a gas tax to support public transit in capital and operating, and that was done early on in the mandate. We're now at 50% fully shared costing with land ambulance, which is something that municipalities had been asking for very heavily because the costs were escalating in that area. We've committed to a phase-in, and in many cases you have to do this, with ODSP and the Ontario drug benefit and all that; that's underway. We've made some pretty major capital

investments as the resources were available, including, in this most recent fall economic statement, some \$300 million available to municipalities on an application basis for infrastructure; some additional \$500 million for public transit. That has come as dollars have been available. The comment you made about that sustainability—we have to get that sustainability built into the system. But when you have capacity, you kind of loosen the purse strings up a bit to help when the specific opportunity arises.

I think we're all anxious to see the outcome of the provincial-municipal fiscal review program. I know the Premier and AMO just over a year ago, a year-plus now, talked about the range of 18 months, into the late winter/spring of 2008, and it's going to take some time for the parties, I guess, to come to a final conclusion on what they're going to bring forward.

What I'd like to have you do, though, if you would, is to reiterate for me—Franz, you indicated that there were three recommendations that you were coming forward with as a group. One of them was some \$300 million for housing; I think the second was a full upload of social services. Can you just repeat for us, if you would, reiterate and emphasize those three key recommendations in the bit of time that is left?

Mr. Franz Hartmann: That's actually in this document here, but I will just reiterate it again.

Mr. Wayne Arthurs: I want to have it straight on the record so it's in Hansard.

Mr. Franz Hartmann: Sure.

The first is to provide the necessary funds, \$300 million, to do the essential repairs to social housing.

Second, develop a permanent funding formula for operating public transit.

Third, upload the costs of social services immediately. In the case of Toronto, we paid \$729 million last year for programs that no other province makes cities pay for.

Mr. Wayne Arthurs: When you're speaking to the cost of those programs, we tend to think of them as the things we're currently engaged in—the ODSP, Ontario drug benefit activity. I'm assuming within that, though, you're also speaking to the issue of social housing, supportive housing. Is that part of your submission, that we should be uploading those costs onto the province fully—

Ms. Ann Dembinski: Yes, absolutely.

Mr. Wayne Arthurs: —in an ideal world?

Ms. Ann Dembinski: Yes.

Mr. Wayne Arthurs: Okay. Thank you so much for your presentation.

The Chair (Mr. Pat Hoy): And thank you.

REGISTERED NURSES' ASSOCIATION OF ONTARIO

The Chair (Mr. Pat Hoy): I call on the Registered Nurses' Association of Ontario to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of ques-

tioning. I'd ask you to identify yourself for the purposes of our recording Hansard.

Ms. Doris Grinspun: Doris Grinspun. Thank you very much.

Good morning and thank you for the opportunity to address the committee. I'm the executive director of the Registered Nurses' Association of Ontario. We welcome this opportunity to participate in the pre-budget consultations and to share the views and recommendations of Ontario's registered nurses. In my presentation, I will focus on the key social and environmental determinants of health, medicare and medicine.

9930

Let me start with the economy and poverty reduction. During its first mandate, the McGuinty government made progress towards rebuilding the province's physical, social and environmental infrastructure. There is still much more work to do, and momentum must not be lost. We know that many of the groups appearing before this committee will focus their deliberations on the impact of the slowdown of the US economy and the effects of our high Canadian dollar on revenues and expenditures. The budget represents an opportunity for the government to continue playing a leadership role and meet its election and throne speech commitments. We believe that the expenditures we are proposing are good for the economy and essential to building a healthy and inclusive society. This is the kind of society that Ontario citizens want, and one that the RNAO advocates for as part of its mandate.

Towards the end of its first mandate, the government recognized that although it had taken some steps to address poverty, it remained a distressing, pervasive problem. Poverty is the most significant determinant of illness, and more than 1.7 million people in this province live in poverty. We are delighted that the government appointed Minister Deb Matthews to work on this important file, and we are pleased that she is part of a cabinet committee dedicated to coming up with clear targets, and that's what we need: clear targets. However, if the government is serious about addressing the inequities facing the poor, it must deliver on its promise. To that end, we urge the following:

- initiate a meaningful consultative process that includes those stakeholders and individuals who have expert knowledge on how to tackle poverty;

- set poverty reduction targets of 25% in five years and 50% in 10 years;

- significant rate increases for those receiving Ontario Works, Ontario disability support program, and the Ontario child benefit. These rates should also be indexed for inflation;

- an immediate increase in the minimum wage to \$10.25 an hour; and

- additional funding for substantive affordable housing.

Let me move now to address the environment. The evidence linking the environment and health is irrefutable. Like many citizens of this province, registered nurses have become increasingly concerned about

climate change and also about harmful chemicals and toxic substances and their effects on patients, families and communities. Chronic conditions such as asthma, cancer, developmental disabilities and birth defects have become primary causes of illness and death in children in industrialized countries. We applaud the government for identifying the environment as a priority area, but we want to outline the priorities we believe are essential to allow the people of Ontario to live in a province where the water they drink is safe, the air they breathe is clean and the products they consume are safe.

Therefore, we urge the government to ensure that the upcoming budget has the dedicated funding to accomplish the following:

- implementation of a province-wide ban on the use, sale and retail display of cosmetic pesticides, as well as education programs and enforcement compliance;

- expansion of rapid transit, public transit, renewable energy and conservation initiatives;

- acceleration of the termination of all coal burning at Ontario power plants to 2009;

- cancellation of plans for the construction of new nuclear plants; and

- commitment to phasing in a carbon tax and other relevant environmental taxes.

We want all this to begin in 2008.

Nurses are passionate about our public health care system, so let me now refer to and address medicare. The government is engaging the pre-budget-making process at a time when most politicians and policy makers would agree that our publicly funded health care system is benefiting from the investments made by the government. However, while speaking to nurses at the RNAO annual Queen's Park day last week, Minister Smitherman acknowledged the work that still needs to be done. That's honest and good.

One area in which we must remain vigilant is in challenging the for-profit forces that want to reap the benefit of our public health care system. They're lurking in the shadows, and we must meet them head-on.

We also remain gravely concerned about our government's plan to continue to fund some of our hospitals through alternative financing and procurement, AFPs. In the view of nurses, AFPs cost taxpayers more and deliver less quality. To that end, nurses urge the McGuinty government to halt any future AFP hospital projects and convert those projects for which contracts have not been finalized to traditional government finance methods.

Another issue that looms large concerns our home care sector. Although we are delighted that the Minister of Health recently decided to end the process in Hamilton that would have prevented two highly regarded not-for-profit home care agencies, VON and St. Joseph's Home Care, from bidding on contracts that are up for renewal, it remains unclear what steps the government intends to take to deal with this issue in the days to come. Competitive bidding, in the view of nurses and in our experience, is a destabilizing and unfair practice. Both patients and nurses are put at risk: Patients lose con-

tinuity of care, and nurses experience upheaval in their work. It promotes turnover and in some cases—I would say many—nurses simply give up and leave the profession, something we can ill afford at the time of a nursing shortage in this province. For that reason, we are urging the government to place an immediate and indefinite moratorium on the competitive bidding process for all home care contracts in Ontario.

Lastly, we must address the urgent need to continue strengthening nursing so that nurses are able to serve Ontarians. RNAO welcomes the efforts that the government made as part of its nursing strategy during its first term. However, in examining numbers from the College of Nurses of Ontario, the RNAO is gravely concerned about the sharp slowdown in the number of new RNs working on Ontario for the past two years compared to 2005. The figures for 2005 were 3,480 additional nurses, in 2006 the number was 643, and in 2007 it was 671. I don't need to tell you what that means for the public. This is both unsafe for the public and unfair for nurses, and in fact contributes to the lack of retention in nursing. It will be devastating to our health care system if we do not engage in a serious recruitment strategy and retention strategy that include targeted funding. To that end, we ask the McGuinty government to make the following five key commitments:

- hiring of 9,000 additional nurses by 2010. Of that number, we expect 3,000 this year, with 2,250 RNs and 750 RPNs, and that's the usual ratio;

- meeting our goal to have 70% of nurses working full-time by 2010. We expect to see a 2.5% increase in 2008, bringing the share of RNs from 63% to 65.5%;

- continuing to guarantee jobs for new nursing graduates and increase their share of full-time employment by 10%. These are the people who we need to retain in this province;

- investing in a healthy work environment for nurses and, in that light, mandating a zero-tolerance approach to violence against nurses in the workplace, working with employers and associations to immediately implement effective policies;

- implement the campaign and throne speech commitment of funding 25 additional nurse practitioner-led clinics by funding half of these clinics in 2008. Ontarians need increased access to primary health care, and we are ready to provide it;

- implement funding for 150 new nurse practitioner primary health care positions in 2008 across community health centres, NP-led clinics, family health teams and all other primary care settings.

Conclusion: We recognize that building blocks are necessary to help build Ontario, and we believe that we are providing you with sound recommendations.

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The Chair (Mr. Pat Hoy): This round of questioning goes to the official opposition. Mr. Barrett.

Mr. Toby Barrett: Thank you, Registered Nurses' Association of Ontario, for your very comprehensive presentation. You covered everything from poverty to

climate change. I think you made mention of coal policy and nuclear policy.

At the beginning of your presentation, you talked about a consultation process with respect to poverty reduction, and you made some specific recommendations as far as increases to Ontario Works, to ODSP, to the Ontario child benefit. A week ago, in this room, we had a presentation from an economist, Hugh Mackenzie of the Canadian Centre for Policy Alternatives, and he indicated to us that even with the increases in social assistance rates in November 2007, the Ontario Works and Ontario disability rates are actually lower in real terms than they were in October 2003, when this government took office. Have you been tracking this kind of data?

Ms. Doris Grinspun: Yes, they are lower, and that's why we are asking to sharpen those significantly. As well, we are, as you note, asking for an immediate increase in the minimum wage to \$10.25. All those strategies combined will allow us to improve the lot for the many, many people who live in poverty and, down the line, prevent illnesses that are absolutely linked to these social determinants of health.

Mr. Toby Barrett: I see you mention the \$10.25 minimum wage under "Poverty Reduction" and under a subtitle to "promote good jobs." Do you have other suggestions to increase employment or to boost our economy to create some of these jobs?

Ms. Doris Grinspun: Skills training. But skills training without decent, livable jobs with a good minimum wage that are full-time and have benefits attached will not take people out of poverty. So it's the combination of the package that needs to be looked at: both the training and then the ability to earn a decent minimum wage.

Mr. John Yakabuski: Thank you very much, Ms. Grinspun, for joining us this morning.

In the previous mandate, the McGuinty government had promised 8,000 new nurses between 2003 and 2007; by their own numbers, they've fallen far short of it—and you're asking for 9,000 more by 2010.

One of the things that they also promised was a job for a graduating nurse. The profession had certainly indicated that there was some real disappointment in that promise on the part of the government because a large number of those nurses were being offered short-term contract positions. The Premier refused to even acknowledge that, and I'd like your comments on that. Is that in fact what has been happening or had been happening?

Ms. Doris Grinspun: Yes. Let me put it in context. We actually had significant success with that strategy in the short term. We moved new nurses working in Ontario—and that is composed of either nurses coming from other places or the new grads—from 39% to 58% and change, so it's good. Our concern, though, is that we have 90%, more or less—it's in the high 80s—of new grads who want full-time. So we still have a very significant gap, and the most significant piece is what happens, as you say, after the six months of the full-time

guarantee. So we are asking, in this budget, for government to continue with the strategy of the six months full-time guarantee and work with employers to retain new grads full time.

We need to understand that we are in the context of Alberta and other provinces making phone calls to nurses at work without even asking. Nurses pick up the phone and these are head-hunters from Alberta, and they are offering, at this point, full time. So we need to absolutely ensure full time beyond the six months to both newcomers and new grads.

Mr. John Yakabuski: So you would—

The Chair (Mr. Pat Hoy): Thank you for your presentation.

CANADIAN CHEMICAL PRODUCERS' ASSOCIATION

The Chair (Mr. Pat Hoy): I call on the Canadian Chemical Producers' Association to come forward, please. Good morning, you have 10 minutes for your presentation. There may be up to five minutes of questioning. I ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. David Podruzny: My name is David Podruzny, and my colleague is—

Mr. Norm Huebel: Norm Huebel, the Canadian Chemical Producers' Association.

Mr. David Podruzny: We're here today on behalf of Ontario's industrial chemical producers. In Ontario, the broader chemical sector accounts for \$22 billion of Canada's \$47-billion chemical sector. The business of chemistry is characterized as resource-based, value-added manufacturing. In Ontario, it's the third largest in terms of sales. Our members produce industrial chemicals that can add up to 10 times the value to things like natural gas or electricity. This activity translates into high-paying jobs that create wealth for Ontario's workers. Our sector is first in knowledge-based workers, defined as the number of workers with post-secondary education, with university degrees. We have linkages with the key areas of the Ontario economy. Our customers include the mining and forest products sectors, metals, plastics and motor vehicles, just to name a few. These industries use our ingredients to make products for eventual end-use markets. Finally, we are productive: Our productivity is higher than the same industrial grouping in the US, and we're increasing our productivity faster than in the US. That's information that you don't usually hear from the media.

It's now abundantly clear that the face of manufacturing is changing in Canada, and particularly changing here in Ontario. We find ourselves today with a slowing US economy that's only exacerbating a domestic situation that has existed for some time. We're witnessing lost jobs, plant closures and declining foreign investment. These trends are the product of intense global competition, rising energy costs, taxes and regulatory policies. As our customers face challenging times and

shut down or move their operations elsewhere, our members are finding they have to ship their products further and further to access global supply chains, and that's bad news. That's lower profits for us, and that makes Ontario a less attractive place to be.

The good news is that the government appears to have acknowledged that we have a problem. Enormous progress has been made federally and provincially towards elimination of capital taxes. There have been some recent positive moves. We applaud this government for accelerating the schedule for the elimination of this profit-insensitive capital tax. We're also pleased with the move to match the federal government's introduction of an accelerated capital cost allowance for manufacturing machinery and equipment.

Our message today is that good work begun is good work continued. Industry needs to do its fair share in terms of business strategies, and government has a role to play in terms of ensuring that its policy and fiscal regulatory framework encourages investment and equips Ontarians and Canadians to compete in a global marketplace. We firmly believe that the key component of a manufacturing strategy for Ontario lies not in a series of programs and bailouts, but rather in targeted measures which will get the investment climate right. Investors consider a range of a location's specific characteristics when making investment decisions, and in our submission, we have included a list of those factors in one of the appendices. As well, we've included our annual report card, in which we assess a variety of competitiveness factors for key jurisdictions. Here we're comparing the competitiveness of Ontario with the rest of Canada, with North America and with the world.

0950

In the interest of time today, I'm going to focus on our tax recommendations for improving Ontario's ability to attract new investment and renew and grow its high-skilled, capital-intensive manufacturing base. In our submission we have identified three priorities:

First, in beginning to remove capital taxes with the elimination of large corporate tax, manufacturers are still facing retail sales taxes that are simply capital taxes in disguise. We believe the application on inputs into the manufacturing process and on-site should be eliminated. Although federal-provincial sales tax harmonization discussions have been suspended, we believe that the issue is important enough for Ontario that it should look at this problem separately.

We urge this committee to consider a review of the current application of retail sales tax on manufacturing inputs, on-site construction and other capital investment components and repair costs, with a view to eliminating them. These taxes on inputs are bad taxes, they undermine the capacity to attract new investment and, as you know, these taxes are applied even when companies are losing money. We'd welcome working together on this, and there is precedent for this. We've done a partial elimination of retail sales tax in some selected areas in the past.

Secondly, on the subject of capital cost allowance, we believe that Ontario's move to match the federal initiative was the right one. However, when we sat down with our members after that was announced in the last federal budget and matched in the Ontario budget, we were surprised to find that our members dismissed it as not being of any use, given that the two-year window before it expires didn't allow them to get into a planning process to book that value and actually win new investments. We asked them to explain, and the reality is that large-scale projects typical of our industry or steel or forest products or automotive—it takes five years and more from the initial planning and approvals to put the actual machinery and equipment in place and qualify for that accelerated capital cost allowance. In some cases, it takes two years just to work through the approvals process alone.

We've included a chart in our submission which details the investment planning stages in a typical large chemical project. As you can see, a window of at least five years is required. That's why we're calling for an extension of at least five years, not just the two or three that has been talked about in some circles. It's important that this measure be part of a planning process, not just a bonus after decisions have already been taken.

Finally, we'd like to encourage Ontario to match the federal call to develop a Canadian tax advantage, the so-called brand 25. This concept is based on the principle and premise of a clear tax advantage to help overcome competitive disadvantages in some other areas, like higher construction costs, the high dollar, high energy costs. We agree with this. The federal government will reduce its corporate rate to 15% by 2012; that's down from 28% about six, seven years ago. We hope that a combined federal-provincial rate of 25% will attract the investments. A lowering of the provincial corporate rate to 10% to achieve the brand 25 would catch the attention of investors.

Without aggressive action, we'll continue to see weaker GDP growth and a continuing drop in investments and a loss of high-paying jobs. We offer these three suggestions and would welcome your questions.

The Chair (Mr. Pat Hoy): Thank you for your submission. The questioning will go to the NDP.

Mr. Michael Prue: Not really too many questions. You're advocating the sales tax harmonization, but it doesn't seem that there's any appetite from the provincial government to go this route. What incentive can you give to the province for doing it? They've walked away from the table.

Mr. David Podruzny: It's possible that the federal-provincial harmonization won't work, and I really can't speak for that. But when you tax inputs, it's just like a capital tax. When we go to build a new plant, all of the concrete investment on that site is attracting retail sales tax. It's just unconscionable that we have to add 7% or whatever to the cost of building something when the final product is going to be taxed anyway. So we're saying, find a way—I recognize that things haven't gone well

with the feds and there isn't a good match between federal and provincial exemptions, and that's part of the problem. But the bottom line is, the industry gets caught in the middle on that one.

Mr. Michael Prue: You advocate, as I think almost every business group does, the lowering of corporate tax. The government, on the other hand, is in a bit of a bind in terms of balancing the budget this year, with the state of the global economy, particularly our neighbours to the south. If they are to lower the taxes on corporations, are you suggesting that they do so with the risk of deficit?

Mr. David Podruzny: No, I'm not, and maybe that's why focusing at the present time on the capital cost allowance, which only gets applied during a new investment, might be a better short-term move. The problem with the corporate tax rate right now is, the marginal effective tax rate in Ontario is the highest in Canada. That's not good for attracting investments to Ontario. We need new investments. I'm afraid, with the growing recession that's on the horizon—or perhaps, as I said earlier, it's probably already with us—that you're going to see lowering of revenues from the industrial sector. What turns that around is getting new investments in higher-productivity equipment, in better environmental performance equipment. We need to target the manufacturing sector. Perhaps you wouldn't see such a large fiscal hit if you focused just on that rate for manufacturing and processing equipment. That seems to be the sharp edge of the difficulty right now in this province.

Mr. Michael Prue: There are some economists and some groups that are suggesting that in order to lower corporate taxation, you would have to increase individual taxation. Do you advocate this?

Mr. David Podruzny: I'm not sure that has to be the only other option. You might look at consumption taxes—there are a few other options—and consumption taxes with some humanitarian exceptions, for sure. We're all facing higher energy costs and so on, so I wouldn't propose that we increase personal income taxes. By the way, they are higher here than south of the border by quite a bit already. So I would think there are options along the consumption tax line that might be more appropriate.

Mr. Michael Prue: So that's the direction you're thinking that the government should go if they need the additional revenue, a consumption tax.

Mr. David Podruzny: That would be our recommendation.

Mr. Michael Prue: I mean, it's pretty hard. You ask for lower taxes, individuals ask for lower taxes, and the government has a lot of bills to pay.

Mr. David Podruzny: That's right, and we do have to take a look at our spending. You're going to get 10 to one requests on spending over less collecting, and we do need to be selective in what we do. I think when you get into a recession situation, you really are stuck with some very difficult choices; I won't disagree with that. But I do believe that a consumption tax would be a fairer tax than one on corporations, for example, where regardless of

profitability during a business cycle, these capital taxes—the taxes on inputs, for example.

Mr. Norm Huebel: I think the other point to make too is that we focused on taxation here, but if you look at the investment factors we've laid out on page 18, there are a lot of other things that the government should really be looking at. Taxation is one issue that investors consider, but I think there's a whole range of other things you can see that you should be working on. One of the things we've been really pushing the government for is to come up with a manufacturing strategy that would look at how do we attract and how do we retain manufacturing in the province. That's not just taxation; it's looking at all those other factors like electricity costs and that sort of thing. So it's a range of things they should be looking at.

The Chair (Mr. Pat Hoy): Thank you for your submission.

CO-OPERATIVE HOUSING FEDERATION OF CANADA, ONTARIO REGION

The Chair (Mr. Pat Hoy): I call on the Co-operative Housing Federation of Canada, Ontario region, to come forward. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Harvey Cooper: I'm Harvey Cooper, manager of government relations for the Co-operative Housing Federation of Canada.

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Ms. Amanda Yetman: My name is Amanda Yetman. I'm the president of the Ontario council for the Co-operative Housing Federation of Canada. Thank you for this opportunity to make a pre-budget presentation on behalf of over 125,000 residents living in 555 non-profit housing co-operatives across Ontario. Housing co-operatives are committed to playing a significant role in meeting the affordable housing needs of Ontarians, and our presentation will focus on remarks on a few critical housing issues that the Ontario government should consider as it prepares its 2008 budget.

It is gratifying that in the recent provincial election campaign Premier McGuinty vowed to make the war on poverty a major plank in the government's second term. Clearly, if the Premier's undertaking is to make significant inroads in alleviating poverty, affordable housing must be a cornerstone of the foundation. Housing sustainability and affordability are vital platforms for individual health, well-being, economic prosperity, an inclusive society and, as research is increasingly confirming, for healthy communities.

Affordable housing is not only a social and health issue, but as Ontario's corporate leaders such as the Toronto Board of Trade, the Ontario Chamber of Commerce and the Toronto-Dominion Bank have also recognized, it is a smart economic policy. The lack of affordable housing is a significant roadblock to growth and investment. One of the key problems leading to the

housing crisis in this country and in this province has been a lack of consistent housing policies and funding programs from both the federal and the Ontario governments.

We appreciate that the Liberal's 2007 election platform committed to creating "a long-term strategy for affordable housing" that "contains a mix of non-profit and co-operative housing." The McGuinty government will have to hit the ground running if it is to meet this commitment and make real headway in the housing crisis. It should be noted that in this administration's first term, the vast majority of funds expended from senior levels of government under the affordable housing program, AHP, came from Ottawa, not Queen's Park. Unfortunately, the Harper government has shown little interest in funding its traditional housing responsibilities. The Liberals' 2008 budget needs to send a clarion call that the McGuinty government is indeed back in the affordable housing business.

The Ontario region of CHF Canada and the Ontario Non-Profit Housing Association annually publish our "Where's Home?" report, using data from Statistics Canada and the Canadian Mortgage and Housing Corp., CMHC. Some of the key findings of the report include that demand for rental housing in Ontario is forecast to be 12,000 to 14,000 units annually; rental production has declined to just over 2,000 units per year since 1995. The market is not building rental housing. There's little question about the need for affordable housing in Ontario. Currently, there are well over 122,000 families on social housing lists across the province.

The Liberals started late on the affordable housing file in their first term. By the end of 2007, only 5,000 new units of affordable housing were occupied or under development. While any construction is welcome news, particularly after the hiatus of almost a decade by the previous administration, the number of new homes built falls well short of the Ontario Liberal's 2003 election platform that pledged 20,000 units of affordable housing, plus 6,600 supportive units. It is critical that the province move forward quickly if we are to take significant steps in seeing new homes created in Ontario. We believe in a commitment target of at least 8,000 units annually.

While there is a clear need for additional rental units, it is also important to ensure that any new units created remain affordable over the long term. Co-operative and other forms of non-profit housing are a best buy for the province, as they provide a permanent supply of affordable housing for the people of Ontario.

It is increasingly clear that while we have a shortage of affordable units in this province, we also have a growing affordability problem, given the low incomes of many Ontario households. Examples of the growing inability of many low- and modest-income Ontarians to continue to put a roof over their head abound; 20% of all renter households in the province pay over half their income toward their rent, and a record number of Ontario households faced eviction in 2006 simply because they couldn't afford their rent.

CMHC recently introduced an affordability indicator to gauge how affordable local rental markets are for the rental households, and this shows that eight of the 10 least affordable cities in Canada are in Ontario.

The most glaring fault of the previous affordable housing program is that it did not serve the 600,000 Ontario households that are in core need. A new supply program should ensure that at least half of the units are reserved for low-income households that receive rent-geared-to-income—RGI—supplements based on the traditional basis of the recipient paying 30% of their gross income on rent. To make an immediate dent in the housing waiting list, the province should take advantage of existing rental co-ops, non-profits and private buildings and create a rent supplement based on the traditional RGI.

Much of the current housing is 30 to 50 years old and requires major capital investment. We know that municipalities are strapped for cash and many are unable to ensure that the housing properties they oversee are adequately maintained.

There are a number of innovative financing mechanisms to consider, such as capital financing, facility, where, with minimal provincial investment, housing providers could lever on other financing and Queen's Park could help ensure existing affordable housing assets are preserved for generations to come.

The financial burden of maintaining Ontario's immense social housing infrastructure, as well as the number of downloaded social services, was disproportionately on municipalities—the level of government least able to afford it. Premier McGuinty recognized this untenable state of affairs with the launch of the Provincial-Municipal Fiscal and Service Delivery Review in August 2006.

The co-operative housing sector has submitted a proposal to the review that provides a creative way forward. Under our proposal, the province would take back the cost of co-op housing from the municipalities. Co-ops represent about 8% of the social housing stock, and that's estimated at just over \$100 million province-wide.

Queen's Park would then contract administration to the Agency for Co-operative Housing. The agency is already administering the federal co-ops in Ontario and in three other provinces under a long-term contract with CMHC. Altogether, this involves responsibility for over 35,000 co-operatives, of which approximately 19,000 units are in Ontario. The agency was established for this specialized and sole purpose of administering co-op housing programs.

The transfer of the co-op housing portfolio would afford the province a number of benefits: It offers an opportunity for Queen's Park to take the first crucial step in unloading social housing costs; it provides municipalities with a significant measure of financial relief; it helps resolve the issue of pooling social housing costs between Toronto and GTA municipalities; it leaves municipalities with a more homogeneous portfolio which

is simpler and more economical to administer; and all co-ops in the province would be administered under one roof.

Another consideration for this proposal is that Queen's Park would gain an additional level of credibility with the federal government in the housing arena. At present, it's a difficult sell for the McGuinty government to convince Ottawa to re-engage financially in affordable housing when the province can be perceived as a non-financial contributor to the existing stock.

We are aware that there are many issues to be considered under the fiscal services review. However, we strongly feel that because of the range of benefits, our proposal merits support as one of the earliest solutions that could be delivered by the review.

The province should move forward quickly on Minister Ted McMeekin's resolution, passed in the Legislature on December 14, 2006, to establish a provincial co-operative secretariat at Queen's Park. Co-ops work throughout Ontario to support the local economy and provide secure employment, and they are a means to revitalize and sustain healthy communities. The co-operative secretariat would assist in this unique form of economic enterprise to partner with Queen's Park to deliver on shared priorities and goals in an efficient, affordable and accountable manner.

Co-operative housing in Ontario is a well-documented success story. For more than three decades, co-ops have helped provide good quality, affordable housing, owned and managed by the community members who live there. We are anxious to roll up our sleeves and work with the government and MPPs of all parties to ensure that housing co-operatives are seen as an integral part of the solution to the affordable housing crisis faced in every corner of this province. Once again, we'd like to thank the members of the committee for giving us the opportunity to share our views today.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government. Mr. Arthurs.

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Mr. Wayne Arthurs: Amanda and Harvey, thank you both for being here this morning. It's good to see you.

I want to point out a couple of things in your submission and just a general commentary. Your closing remarks, "roll up our sleeves and work with the government"—not only am I pleased to hear that, but it's a demonstration of what you've been doing up until now. That's not news, I don't think, for any of the parties or anyone around this table. During my limited time, I've had the opportunity to have a number of exchanges. We've tried to work toward some solutions on some issues. Ideally, they will all come to fruition in due course. One can only hope.

Co-op housing is a unique form. I spent six years on Durham Region Non-Profit Housing Corp., which is effectively an agency of Durham region government. I spent three of those years as its VP. But our housing stock is different; our rules and relationships are different. When the download of all the social housing

occurred, it sure put some challenges on everyone. I know some of those challenges related to the region of Durham as it accepted certain responsibilities.

I want to make a couple of comments about where I think we're at, based on the information I have that's reasonably current. Someone can probably correct me on this to some extent at some point, and I'll have to leave it, then, to the mandarins in MMAH to give me the balance of the background details. The information I have is that in partnership with the municipalities and CMHC, we have made some considerable progress on the affordable housing front, on projects. We have some rental and supportive housing projects. There are about 226 projects, representing just under 9,000 units—8,899 is the figure I have. About 3,200 of those, give or take four or five, are occupied; 2,200 are under construction; and, about 3,500 are still in the planning approval stage.

I've got to tell you, as you well know, planning and getting housing in place is a real challenge. I did some work with Homes for Life—I'm trying to think of the organization; Homes for Life?—back when I was the mayor of Pickering, and that took some time. We even did some Habitat for Humanity stuff on a very small scale, but we recognized the amount of time that involved. There are some ownership housing projects, some 800-plus units, and a northern housing component of almost 800 units as well in a variety of stages. So there has been some progress, but we still haven't achieved the targets that we would all like.

I'm particularly interested in your submission to the fiscal review that speaks specifically as a strategy to get things moving and using the co-op sector as a piece of that, which might move things along a little more rapidly—rather than trying to eat the whole elephant at once, maybe just try to take a bite out of it.

Can you take a minute or so in the time available and tell me a little more about that submission you've made and sort of reinforce that for the purpose of Hansard.

Mr. Harvey Cooper: Thanks very much, Mr. Arthurs. As you mentioned, it has been our pleasure to work with MPPs from all three parties over three decades, because we feel we come with solutions that work and not problems to complain about. We look forward to meeting with some of the new MPPs who have just come to Queen's Park.

Regarding our submission to the fiscal and service delivery review, as you mentioned, Wayne, we actually think it's a real opportunity to take a crucial step forward on the housing file in terms of making some progress. Right now, one of the challenges I think the provincial government has in trying to have Ottawa take on more responsibility—and we mentioned it in our brief—is that for the existing portfolio, the municipalities are funding that under the devolution that happened a number of years ago. Why we think uploading the co-ops makes a lot of sense is, it's a first step, it's a contained amount of the portfolio—it's about 8% of the stock, about \$100 million, we estimate. It would send a signal to all parties that the province is back not only trying to build

affordable housing but sustain the existing housing that's out there. The province would not have to set up a new administering agency under the Ministry of Municipal Affairs and Housing. It's good enough for the federal government. All the federal co-ops in this province are being administered under a contract with this agency through CMHC, as well as three other provinces. In Toronto, we've met with the mayor; he's quite excited about the proposal, both in terms of saving him a lot of money—there's no question about that; it would help resolve the GTA pooling issue. But having all co-ops administered under one roof makes an awful lot of sense. It would be a benefit, certainly, to most of the large municipalities across this province, and we know in the last budget the province pledged to end pooling between Toronto and the GTA. This would expedite it. It would happen a lot faster than I think the seven years that were forecast in the last provincial budget.

Lastly, just on the new affordable housing front, I don't disagree with any of the figures you mentioned, Mr. Arthurs. I think our main focus is that housing takes a long time to build, so I don't think there's a question that the government did get started a little late in the first term and that you're really going to have to get off the mark quickly, particularly given that we seem to have a reticent partner at the federal level these days. I think the provincial government is going to have to send a strong signal that we're taking the first step in affordable housing, both for existing and new development.

Mr. Wayne Arthurs: I think among our—

The Chair (Mr. Pat Hoy): Thank you, and thank you for your submission.

Mr. Harvey Cooper: Okay. Thank you very much. We also have copies—we mentioned it in the report—of our Where's Home? report, put out every year between ourselves and the Ontario Non-Profit Housing Association. I'll leave some at the back here. Thank you.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Secondary School Teachers' Federation to come forward. Good morning, gentlemen. You have 10 minutes for your presentation. There could be five minutes of questioning. I'd ask you to identify yourself for our recording Hansard.

Mr. Ken Coran: Certainly. I'm Ken Coran. I'm the provincial president of the Ontario Secondary School Teachers' Federation. Beside me is Joe Hirschegger. Joe is in our protective services department and is specifically assigned to our finance subcommittee.

Before starting the detailed submission, I thought it would be worthwhile to just highlight the makeup of our organization, because the name truly is not reflective of the people we serve, the Ontario Secondary School Teachers' Federation. In fact, we do have teachers in the public secondary system. We have 60,000 members altogether, but we represent support staff workers in the

public elementary system as well as the secondary system. We represent support staff workers in the Catholic system, both in the elementary and secondary panels. We represent workers in the university sector as well, support staff workers. So you will see with our submission that we have kind of highlighted a lot of the aspects of all of those representatives of the education sector.

What we have done over the past few years is, we have conducted several focus groups with education stakeholders, we've held conferences and we've done surveying. The main attempt in all of those was basically to see where any flaws exist with education funding, to see what the public and the students want with regard to the education system, and what we developed over that time was something that I'm sure most of you have seen. It's called the Students First plan. If I were to summarize the contents of the Students First plan, it would basically be this, and this is exactly what we said to Minister Duncan last Monday when we did a very brief three-minute presentation to his committee: It's based upon the premise that we should have more qualified, trained, board-employed adults in the schools, and it's through offering that extension that we can guarantee the safety and the success of students.

What we have in our submission are 13 categories, and those 13 categories comprise about 22 recommendations. We feel that through satisfying those recommendations, we can do just what the former government had tried to do. They had a premise that the funding formula would be something that would generate equivalent funding for all students and hence eliminate any inequities. That process, unfortunately, was flawed. I think all of us in this room would realize that there are flaws in the current funding formula, and these recommendations basically follow up on what some of those flaws are and how we could solve those problems.

I'll turn it over to Joe Hirschegger.

Mr. Joe Hirschegger: Thank you. Through the various iterations and workings of the funding formula for school boards, many changes have been made. Many have been seen as positive, but the deep-rooted problems still exist.

In 2006-07, when the government decided to address the teacher salary and benefit benchmarks, what they did was move some funds from what was flexible funding, mostly from the learning opportunities grant and the local priorities amount that boards were able to use at their discretion, and move that into the teacher benchmarks for salaries. What this did, however, was to exacerbate a larger problem with the support staff, those being education assistants, professional support staff, office clerical, technical employees and custodians. So what we're saying is with regard to trying to fix that loss of flexibility. As well, the learning opportunities grant was a major source of funding for educational assistants, so reducing that had a tremendous impact. What we're saying is to immediately restore replacement funding for

that part of the funds that were moved, because those moves were mostly done on a cost-neutral basis.

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With regard to teacher staffing, the government has addressed, through Student Success and partially through Bill 52, the issues dealing with teacher workload, class sizes. However, despite the negotiated class size maximums we have in our collective agreements, we're still seeing classes in the high 20s, low 30s, even mid-30s, and most of those are in the open classification, the multi-grade classification. We're seeing many, many classes with grade 10-11 or different levels. Those, as you can imagine, are very difficult to try to manage with regard to classroom management, so we have a recommendation that funding be put into the funding formula to address that.

OSSTF believes in the team approach to junior kindergarten and senior kindergarten. That was in existence in some boards in the past, but, unfortunately, with the funding formula, some of those good ideas had to be thrown to the side. What we're saying is to reintroduce that team approach with junior kindergarten and senior kindergarten, with a qualified teacher and a qualified early childhood educator.

We've continually polled our members, parents, and even students with regard to special education. Unfortunately, special education is a costly item. It's unfortunate that the government had to place restrictions on the funding and what the allocations were for special education. This came, again, at a cost, because there are not only students who are identified with high needs or special needs; there is a broad range of special education services that are no longer available, especially in the areas of at-risk students, with regard to their behaviours and keeping them in school.

In 2006-07, as part of the reorganization of the school funding formula, the government saw the need to not just fund based upon ADE—that is, student enrolment. That's one building block, but another building block is the school. So OSSTF was very pleased with the creation of the school foundation grant, which essentially allowed schools to be staffed by a principal and a secretary. However, this particular funding, although very much needed and very much supported by OSSTF, falls a little short of what is actually required in schools. The generators within that grant are not legislated to be placed in certain schools. It's essentially at the board's discretion. So school boards generate the funds, they place those resources where they see fit, and unfortunately some of those smaller schools are without the services that they need.

As Ken mentioned with the Students First plan, we're looking at safety and more adults in the schools. It's interesting to note that there is no intrinsic allocation within any of the school grants that generates supervision outside of the classroom. So what we are proposing is that a grant be created to address student supervision based upon generators and schools so that adequate supervision and safety is present in those schools.

With regard to pay equity, we have several of our members who are struggling through, still trying to get pay equity agreements. Pay equity legislation was in the early 1990s. It ensured equal pay for equal work. Unfortunately, school boards were given some funds to reach agreements with pay equity settlements; however, those funds are no longer there, so we have a number of bargaining units and groups that do not have pay equity settlements and are still waiting for pay equity settlements. We're recommending that the government put forward a fund that school boards can access to enable them to reach those pay equity settlements with their employees.

The Chair (Mr. Pat Hoy): You have about a minute left.

Mr. Joe Hirschegger: Thank you. That's about all that I've got.

I just want to mention the post-secondary education support-staff funding. The only thing that I want to highlight is the fact that through a double cohort and even now universities are projecting a 5% enrolment increase. University faculties have increased, but support staff and infrastructure hasn't. That has put tremendous pressure on our members who are support staff in universities with regard to workload, space and stress, so we're certainly recommending that some attention be put into that as well.

Finally, with adult education, OSSTF has always advocated that, since the adult education funding has been reduced by about 50% or 60% since the implementation of the funding formula, that funding be re-introduced and re-inserted into the system because just because someone is over 20 years old does not necessarily mean they need any less resources than a student less than 21 years old.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the official opposition. Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much for joining us this morning. In your submission—I was just doing a rough calculation—the figures that you've indicated are annual costs?

Mr. Ken Coran: Correct. If you total them, it's probably slightly over \$2 billion.

Mr. John Yakabuski: Yes, I got \$2.08 billion, just roughly in the head.

In the last submission, my colleague from the third party was asking people involved in the manufacturing sector where the government is supposed to generate this money from if they're looking for tax relief, because we've got a beleaguered industry that is in danger of disappearing in this province under this government's taxation policy. In order to raise an additional \$2.08 billion, what should we be doing with regards to corporate taxation? Should we be increasing our taxation from them, or what should we be doing?

Mr. Ken Coran: I think the first thing we have to realize is: What greater place could money be spent than on our youth? It's the youth who are the key to our

future. It's an educated workforce that will attract industry into this province and hence possibly raise the revenues of this province. So we think any money that's invested is money very well spent.

The \$2.085 billion that we've made reference to, it is possible for that to be staged in, obviously. We're not saying that all of a sudden on the first day after the budget is passed, all \$2 billion goes into it. There are a lot of opportunities—and your government admits this as well—whereby you have to tinker with the funding formula, adjust it, review it on a continual basis, and through that, stage some of these additional funds in. I think over the next four-year term, a lot of this money would be realized just through the economy growing. It has been stated that the economy will grow at probably 1.8% this year and 2.4% next year, so I think those revenues will be coming in.

Mr. John Yakabuski: Thank you very much. I do want to touch on that funding formula, particularly how it addresses issues in my riding. I'm certain that I'm misinterpreting your answer. I don't think there's any argument from anybody of any political stripe or any background in this province that the greatest resource we have is our youth, but surely you're not suggesting that if we create a tax regime in this province that destroys the very opportunities that we want to give to those youth leaving school, that that would be a positive thing either. You're not suggesting that, are you?

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Mr. Ken Coran: No, what I'm suggesting is that if this economy wants to flourish as it has previously, we had better make sure we have those trained youth and soon-to-be citizens of the workforce in place so that we can attract that industry and keep this economy going.

Mr. John Yakabuski: I want to talk to you about the funding formula, the fact that we don't have a funding formula. The government promised a new funding formula when they were elected in 2003. We're still waiting for that, and now they're saying, "We're going to get you that by 2010."

In Toronto, we read stories about boards having to make the very, very difficult decision of whether or not they're going to keep a swimming pool open in a school. In my riding, we have school bus operators who are going out of business because they can't be compensated fairly enough in order to bring our children to school and get them home safely. There is obviously an imbalance there, and a funding formula is something that would address that imbalance—not an envelope that the government recently threw some money into school busing. But how do you deal with an employee situation when you get a pocketful of money, a very small pocketful of money, at one time, but there is no sustained funding to ensure—if you're going to be giving somebody raises or employees across the board raises, you have to know that that money is going to be there on an ongoing basis. You can't give a little bit of it—"Here's \$10, kid; go to the show." That doesn't get you

to the show next week. Of course, you can't get to the show for \$10 now either, but that's another story.

Mr. Michael Prue: You can without popcorn.

Mr. John Yakabuski: Yes, that's right, on cheap Tuesdays or whatever they call it.

Could I get your comments on that, about how unfair it seems to be in different parts of the province? In one part, we are worried about maybe having to close a swimming pool, and in my part of the province, we're not sure we can get our kids to school safely, because the bus operators are being beat down to nothing.

Mr. Joe Hirschegger: That's a fantastic question. I wish I had a lot of time to answer that, but in the short time I do have left, OSSTF does believe strongly that the funding formula does not address what is meant as education. It was created as a means to equalize; the education community would say that's not the way that would answer.

There certainly are two building blocks to education funding. There is the student building block, which comes into the school system. There is also the school infrastructure building block. Within those two infrastructures, those two building blocks, there needs to be intrinsically built into those formulas ways in which the inflationary costs are adjusted. So with regard to infrastructure, what we're seeing especially in the Toronto District School Board with pools being threatened to be closed and so forth is a lack of resources for that infrastructure. That is something that has been eaten away, infrastructure-wise, since 1997, with regard to funding.

We'd be very happy to see the government look at changing or altering or reviewing the funding formula prior to 2010; in fact, we've lobbied for that since the election. We'd be glad to see that, and we'd certainly be willing partners to look at that. However, there are a lot of difficulties, a lot of shortcomings within that formula that would address just those things that can be fixed.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO TRUCKING ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Trucking Association to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. David Bradley: Thank you, Chairman. My name is David Bradley, and I'm president of the Ontario Trucking Association. I'm joined today by the association's vice-president, Steve Laskowski. Committee members, we're very pleased to have the opportunity to talk to you today.

Trucking is a very good leading indicator of economic activity in the province by virtue of the fact that we haul 90% of all consumer products and foodstuffs and 80% by value of Ontario's trade with the United States. We're

usually six months into a downturn before people realize it, and we're usually six months coming out before people realize it. I have to tell you that the current picture is not pretty and has not been pretty for some time. There are all kinds of indicators you're seeing in the stock market and those sorts of things, but if you look at truck activity across the border, for example, 2007 was the third straight year that the number of trucks crossing the Ontario-US borders was down. We're now at a point lower than we were in 1998, so the situation is much grimmer even than the fallout after September 11, 2001.

Obviously there are many competing reasons for that: the increased value of the Canadian dollar versus the US greenback; more recently, the slowdown in US economic activity; problems in the auto sector; and the rise of China as manufacturer to the world. But the situation is also being exacerbated by the fact that from a tax point of view our industry is not only ours, but our manufacturers—there's still a long way to go to encourage investment and competitiveness.

The ongoing problems at the borders, particularly in Windsor, the biggest and the most significant land border crossing in the world, are exacerbating the economic situation that we're confronting. How is it doing that? It's because we compete and we operate—we are really a part of the manufacturing sector, providing the distribution service—in a mid-continent, in fact, a continent-wide, supply chain. That supply chain, its reliability and its predictability have taken a significant hit over recent years. If you want to avoid problems at the border and your major customers are in the US, which is a situation that Ontario confronts, then set up shop or at least a warehouse in the United States and avoid those sorts of things.

What we think this budget should be concentrating on is how we win back and improve efficiency and productivity in that supply chain. Ontario is never going to, nor should it, get into a game of trying to compete on wages with China, nor should it be diminishing its environmental, social and labour laws in order to compete, so we have to be smarter, which means we have to find ways to improve efficiency and productivity. Part of that is through strategic investment in infrastructure. While most of the attention has been on public transit, the province has done a pretty good job over the last few years in terms of maintaining investments in our highways, and we would urge that to continue going forward. There are also a host of regulatory initiatives that don't fall in the purview of the budget to be looked at.

Notwithstanding all of these problems, we still can't take our eye off the ball in terms of environmental issues, we don't believe, and in fact at no time in our industry's history have our economic goals been so aligned with our environmental goals. With fuel at the cost it's at the present time, there's a real incentive, more than we've ever seen, to be fuel-efficient; being fuel-efficient, we reduce our greenhouse gas footprint. At the same time, the trucking industry—more than any other industry in

Canada, I would argue—has moved significantly to improve its environmental performance in terms of smog emissions. We're now into the generation and the era of the smog-free truck engine. The problem is that those things cost a heck of a lot of money and the state of the technology is such that in fact they lead to a reduction in fuel efficiency, which impairs our greenhouse gas emissions. Consequently, what we're calling for is a coordinated approach to greenhouse gas and the reduction of smog emissions through a program called enviroTruck, which marries the smog-free truck engine technology with the fuel efficiency devices and technologies that exist to help us win back some of that lost fuel efficiency.

There is a significant role for both the federal and the provincial government to play in this regard, first, from a financial incentives point of view. Right now, the more that you invest in technologies and equipment that can improve your efficiency, productivity and environmental performance in Ontario, the more tax we pay. We pay provincial sales tax on our business inputs, we pay what's called a multi-jurisdictional vehicle tax on our inputs, plus we have the GST and the HST and whatever else may exist in Canada. So we have to administer, and the province has to administer, several sales tax regimes on our equipment which, in the scheme of things, is not a big part of the overall dollars in the budget. It seems to us to be an awful waste of money, plus it is a discouraging feature in terms of the accelerated penetration of these new vehicles into the marketplace.

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Just recently, in the last week, the province of British Columbia announced that it was going to begin supporting the enviroTruck concept. In the papers there are a host of individual US states who provide financial incentives to move to more environmentally friendly equipment at a more accelerated pace. We would urge this committee to take a strong look at the enviroTruck proposal. Again, it's a win-win in terms of the environment. We hear a lot about the environment these days and the fight of our lives on GHG, yet quite frankly we haven't seen a whole lot of action. I don't know that there are very many industries that are coming forward with an actual plan with tangible results, measurable improvements in both smog and GHG that could begin to accrue to the province immediately.

We thank you for your time, and we'd be happy to answer any questions that you might have.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP. Mr. Prue.

Mr. Michael Prue: I listened intently to what you had to say, and I see the recommendation. This seems like a pretty easy one for the committee. All you are requesting at this time is that province set up a committee to discuss what can be done and to have that ready for the next budget process. Is that right?

Mr. David Bradley: That's right. We asked for the same thing last year. What we continue to hear is, "We all have to do more in terms of the environment," and

"We want to work with businesses." Quite frankly, we're in a desperate situation in Ontario right now. There are still two factories producing heavy trucks in Ontario, but did you know that the sales of new trucks this year are down 31% in Canada? That's impacting the people in Chatham, the people in St. Thomas and elsewhere. We have a solution here that could help many things, and at the end of the day, at least it's going to clean up the environment in terms of our industry's footprint. It seems to be next to impossible to get people's attention on this.

Mr. Michael Prue: I hope you've got the government's attention. Really, all you're asking for is to sit down, discuss it and have something done next year.

Mr. David Bradley: That's right, so we don't fall further behind the eight ball when, in 2010, the next generation of the smog-free truck comes into being.

Mr. Michael Prue: That would be my only question. Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Mr. Pat Hoy): I now call on the Ontario Public Service Employees Union to come forward please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Warren Thomas: My name is Warren (Smokey) Thomas, president of OPSEU, and I have with me today Tim Little. Tim is our legislative liaison staff person. Good morning, and thank you for inviting us to speak with your committee today.

OPSEU represents more than 125,000 Ontario workers and their families, most of whom work in the public sector, including direct government, hospitals, colleges and social service agencies, and the LCBO. We work from Kenora to Cornwall, Windsor to Moosonee. We believe our members are well placed to assess the pulse of the public sector and the health of the economy across Ontario. We also believe in the importance of the public sector in ensuring a more equitable quality of life for all Ontario citizens.

We hope that you share our view that the public sector has a valuable role to play as a partner in the economy of the province. History shows that nations that have invested heavily in public services are the ones that perform the best economically over the long term. Some of the previous governments have not shared that view, so we were heartened when the Premier communicated to us recently that his government is committed to public services. We aim to hold him to that promise.

The quality of our medicare system, our high level of education and the social safety net Ontario provides for all citizens act as a bolster to the economy. They are attractive competitive advantages to the private sector corporations operating here and those considering

whether or not to locate here. We believe it's time for a new deal in Ontario, a winning combination of environmental progress and investment in infrastructure, training and technology.

What Ontario needs are more quality public services, not less. This is proven by the effects of the public service cuts that are still being felt today. Today, one in six Ontario children remains in poverty, homelessness is now seen as normal on the streets of larger cities, and food banks have become staples for the working poor.

Under the policies of the previous government, the public sector fell a full 25% in its share of the provincial economy. Our public sector used to supply one fifth of the jobs and services in Ontario. That fell to less than 15% from 1995 to 2003, and that had a drastic effect on a number of our communities that have been built around delivering and receiving public services. The public sector has only slightly recovered since 2003, to about a 16% share of the economy, since the new government took office on the promise to rebuild public services. So the thrust of our argument today is that there remains much work to be done in restoring public services in this province, and we certainly agree with the government's stated aim that the priority must be the eradication of poverty.

We believe there are some specific measures that must be taken. We commend the government for extending disability benefits to hundreds of thousands of disabled people who were cut off by the previous regime. They are among our poorest citizens and they deserve at least a subsistence income. However, the result is that the Ontario disability support program in the Ministry of Community and Social Services has become woefully understaffed. Our members are struggling with a ratio of 700 clients to one staff, the highest such caseload in Canada. An immediate budget infusion of \$60 million is now necessary to hire more staff to serve the 325,000 clients.

We also hear daily how our well-paid manufacturing jobs are being replaced by part-time, low-paying service jobs in our so-called new economy. The working poor are the fastest-growing segment of our society. We submit that if we are to eradicate poverty in Ontario, a good place to start is to take measures to create full-time jobs with good salaries and good benefits. It doesn't matter whether these jobs are in the public or private sectors; jobs are jobs, and they bring prosperity to the community. We urge the government to join us in this crusade.

That's why we suggested to the finance minister last week that he convene an economic summit, bringing together business, labour and politicians at all levels to discuss the way forward and fill the void left by the current federal government. We will bring forward the plight of part-time and contingent workers who continue to be exploited in Ontario. Those are not good jobs, they are tenuous and, in the main, low-paid.

Sad to say, the public sector is not immune from this spreading infection of contingent work. Consider this:

25% of direct government employees in the Ontario public service are casual, unclassified workers with no permanent employment status. At the LCBO, which generates over \$1.2 billion in profits for Ontario taxpayers, 60% of staff are part-time or casual. In public hospitals and community colleges, non-unionized part-timers now outnumber full-time workers, and in developmental services agencies, where some of our lowest-paid members work, two thirds are part-time.

The place to start to reverse this trend is in the government's own backyard. The events of last summer in developmental services showed that the government is willing to listen, especially when the workers take to the picket lines. Unions do what we have to do. However, we hope that we will not be forced into such drastic action in the upcoming rounds of collective bargaining as most of our major contracts, covering upwards of 80,000 members, expire over the next 18 months. This represents the perfect opportunity for the government to do the right thing by its workforce.

We also acknowledge the government's stated willingness to change the unjust and unconstitutional law that prevents thousands of part-time college workers from organizing a union. OPSEU has launched one of the largest organizing drives in Canadian history, and we anticipate that when they are finally allowed to bargain, the inequities of 30 years as second-class workers will begin to be addressed.

We also commend the government for reversing the erosion of funding for mental health care by investing in community mental health services. Now what is desperately needed is investment in more forensic beds to help keep psychiatric patients out of jails.

I would also like to commend the government for putting a moratorium on competitive bidding in home care. Last week, the Minister of Health moved to put a moratorium on the competitive bidding model at the community care access centre in Hamilton. I really do applaud the government for that step, and I think the community down there certainly thanks you as well.

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There are some other ways your government can give immediate help to these problems and help the economy along the way. I'll list just a few:

—Ontario community colleges rank ninth among Canadian provinces in per student funding. We need to bring our college system up to standard to continue to train the skilled workers Ontario's economy needs to prosper.

—Correct the underfunding of key ministries. What's happened to the Ministry of Natural Resources is a travesty. Funding has fallen 18% in real terms over the last 15 years. Conservation officers have been forced to hold bake sales—albeit a political gesture—to buy gasoline for their trucks so they can enforce protection of Ontario's resources.

—Despite the increased public awareness of environmental concerns for air and water quality, funding

for the Ontario Ministry of the Environment has fallen 35%.

—As the provincial auditor pointed out, the understaffed Ministry of Revenue can't keep up with sales taxes. Outstanding sales taxes were almost \$1 billion last year, enough to pay for three new public hospitals.

—You could adopt the centres-of-excellence proposal for the three remaining regional centres for the developmentally disabled as part of a strategy to better serve the disabled community. The three centres were major employers in Orillia, Smiths Falls and the Blenheim area, and these communities are struggling to cope with the loss of these jobs.

—You could undo the wanton off-loading of services and costs to the municipalities and its effect on public service delivery. We recommend a wholesale re-assessment of downloading and its effects to determine the level of government best positioned to deliver services, and to make sure that those services are equitable across the province.

These are only a few of the pressing issues open to correction in the upcoming budget.

In closing, we must acknowledge that tax cuts have done nothing to rebuild the public services that we all need. In fact, the resultant starving of the public sector threatens to undermine the competitive advantage and quality of life that Ontario offers. The government must resist the temptation to continue this regressive trend that only serves the wealthy. Increasing the tax rates for those earning more than \$100,000 would add a significant amount to revenue, with a minimal effect on consumer spending. We at OPSEU urge you maintain and enhance our progressive regime of healthy public services in Ontario. Thank you for listening.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mr. Wayne Arthurs: If I just do Smokey, is that acceptable?

Mr. Warren Thomas: Yes.

Mr. Wayne Arthurs: And Tim—thank you both so much for being here this morning. I had the opportunity during my first mandate at Queen's Park—much of my first two and half years, I guess, I was with Minister Phillips in his role with the Management Board Secretariat. I had a chance during that time frame to get a bit more of a handle on some of the broader responsibilities that OPSEU has and the work that ministry and the minister, in particular, had to do. I was continually encouraged by what I refer to and think of as a building of a relationship during that time frame, and one that's continued since then, although I've been over in finance in the interim—and now with Minister McMeekin taking on government services, I think we've come a long way in the four years, at least in our relationship. There's still a lot of work to be done and still a lot of missing pieces to the puzzle, but I'm particularly encouraged by what we've accomplished together, particularly with the leadership of the public service.

Your comment in regard to the Premier's commitment: I think from day one, the Premier has been a vocal advocate, in the broadest sense, of the importance of public service. He certainly reminds us, as his caucus members, on a very regular basis—if not every caucus meeting, certainly every other caucus meeting—about the privilege that we have to serve the people of Ontario in the form that we do in elected office, but also in recognition of the fine work that's being done by public servants, whether it's provincially, municipally or federally—just a strong recognition of that.

I'm particularly interested in, and don't know much about, frankly, at this point—because I haven't even seen my minister of late because he's been doing his tour—your suggestion that the minister convene an economic summit bringing all those parties together. Can you, in a couple of minutes, fill us in on the context of what you presented to him?

Mr. Warren Thomas: Sure. Thank you very much. I'd like the opportunity to expand.

I truly believe that labour, business and government must take off their political hats, go into a room, sit down and say "Okay, how are going to address the economic woes of Ontario?" I did that on a regional level in Kingston back in the 1990s. We had a thing called Advantage Kingston. My co-chair was actually a well-known Tory, the former CEO of Dacon Corp. John and I got together and we worked together for three years, albeit with federal government money. But we did change the economy in Kingston, we did bring a lot of people who'd never gotten together before together, and did some great work. We helped establish the Kingston Technology Council. We got Kingston into recruit and call centres. I'm one of the signatories to a partnership—John and I were the honest brokers—between RMC, St. Lawrence College, Queen's University and Canadian Forces Base Kingston to ATEC, the Advanced Technology Education Consortium.

So I have lived the experience: If you can get the business community, labour unions and the government together in a non-partisan way, you can do some good things for any constituency, whether it be Ontario or eastern Ontario. I think if we could get together—I travel all over Ontario extensively; we've got small towns dying because they're one-industry towns, and the government can't get people to locate there because, who wants to go buy a house in a dying town or who wants to move to a dying town?

You go to Windsor, the thousands of auto-worker jobs that are gone—they're good jobs. Ontario, in my opinion, is still the most competitive place in North America to build a car. It's still cheaper to build a car in Ontario than it is in the States. You might want to go to Mexico; maybe it's cheaper there. I just think that you'd find a willingness in the leadership of labour, business and government to sit down and at least brainstorm, right?

Mr. Wayne Arthurs: I somehow suspect that governments generally, and I'll include ours in that, don't necessarily take advantage of the expertise and

experience. We tend to think at times, with OPSEU and the like, that they're focused on that, but your comments about travelling the province of Ontario and you get a tremendous insight into what's happening across the province in all communities, particularly as it relates to your members and that responsibility—but I don't think we necessarily take as great an advantage of that as we might, and we should do more of that. I hope that the minister—and certainly, in our conversations we'll take advantage of your suggestion, your offer, as one strategy to address the economy and ensure that we reinforce and support public service in this province.

Thank you so much for your presentation.

Mr. Warren Thomas: Thank you.

The Chair (Mr. Pat Hoy): Thank you.

ASSOCIATION OF INTERNATIONAL AUTOMOBILE MANUFACTURERS OF CANADA

The Chair (Mr. Pat Hoy): Now I call on the Association of International Automobile Manufacturers of Canada to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I ask you to identify yourself for the purposes of our recording Hansard.

Mr. David Adams: My name is David Adams. I am the president of the Association of International Automobile Manufacturers of Canada. Mr. Chairman, committee members, I'd like to thank you for the opportunity to appear before the committee today.

The AIAMC is the national trade association that represents the Canadian interests of the automobile manufacturers and distributors outside of the traditional North American industry. In 2007, our members sold over 783,000 vehicles in Canada, representing 47.4% of Canada's new vehicle market. Additionally, our members sold 64.5% of all passenger vehicles. While many still view our members as importers, fully 50% of the vehicles sold by our members in Canada were produced in North America. Our three members producing vehicles in Canada—Honda, Toyota and Suzuki—manufactured about 30% of the 2.5 million vehicles produced in Canada in 2007.

I would like to begin by congratulating the government on recent initiatives that were announced in the latest economic update. The elimination of the capital tax for manufacturing and resource activities a full 2.5 years ahead of schedule was something that was needed and long overdue. Additionally, the government is to be commended for its announcement regarding the temporary two-year accelerated capital cost allowance incentive for manufacturers. This will give manufacturers an incentive to invest in new technology and machinery to increase their productivity in their respective plants.

As you are aware, the automotive industry is going to be facing some serious challenges over the next 12 months. It's incumbent upon the government to ensure that the manufacturing sector here in Ontario remains

viable in an increasingly competitive global marketplace. There are a number of factors that the government needs to take into consideration to fully appreciate how significant the challenges will be. In addition to the high sustained valuation of the Canadian dollar and what appears to be an inevitable recession in the United States, domestically, manufacturers will also need to be preparing for newly announced fuel economy standards when the details are made known.

The new investments that will be made into greener and cleaner vehicle technologies will be significant, as manufacturers will need to be prepared to meet the first stage of the new stringent standards by 2011. We'd also like to encourage the Ontario government to support the federal government's national approach in establishing fuel consumption standards and to work with them to ensure that a stringent, harmonized North American standard is achieved, as opposed to a provincial patchwork across the country.

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In challenging economic times, the tendency of some economies is to turn inward and adopt a protectionist stance to try to ride out global economic turbulence. Recent press coverage seemed to suggest that the provincial government was not supportive of a Canada-Korea free trade agreement. We believe this is not the case and we appreciate, in reality, that the government was concerned about maintaining competitive balance in the automotive marketplace. The AIAMC supports free trade and a fully competitive automotive marketplace. In this regard, given that Canada—or Ontario—does not produce any subcompact vehicles, we would advocate that the Ontario government should propose to the federal government the elimination of the 6.1% finished vehicle tariff on all subcompact vehicles imported into Canada, in the face of any bilateral trade agreement. This would assist in maintaining the competitive balance in the Canadian automotive marketplace while not adversely impacting Canadian automotive production. Further, Canadian consumers would be the beneficiaries of lower prices on vehicles in a growing segment of vehicle sales, a welcome initiative in challenging economic times.

The government has been an active and committed participant in securing automotive investment in Ontario through its auto strategy. Additionally, in the government's economic outlook, it indicated that the government will continue to make progress on the Highway 407 east extension and the Windsor border. Both of these initiatives will ensure the success and prosperity of the automotive industry. We need to ensure that our transportation infrastructure is viewed as a competitive advantage for investment, as opposed to a hindrance.

Although our members acknowledge the efforts by the government to help the industry financially during difficult circumstances, we also realize that a larger problem exists. We would strongly encourage the government, in its budget, to look at long-term strategies to foster growth and business investment in the automotive

industry. Part of that effort includes meetings with and recognition of those companies that don't currently manufacture here.

With respect to recommendations, our first recommendation would be to encourage the government to consider again the possible replacement of the PST. While we understand the finance minister's reluctance to embrace a HST system, it could potentially be one mechanism to assist in building overall business competitiveness.

As it currently stands, Ontario is now one of the most expensive jurisdictions in the world to manufacture vehicles. The long-term projections for a strong dollar mean that the government will need to take some other measures to lower the cost of doing business and to improve business productivity. To that end, we recommend that the government revisit the PST with the view to potentially replacing it with a value-added tax that is harmonized with the federal GST. A single value-added tax has been recommended by Roger Martin's Task Force on Competitiveness, Productivity and Economic Progress as well. They note that outside of the United States, Ontario has the highest tax rate on new business investment in the developed world. In their most recent publication, the task force indicated that nearly 40% of the revenues realized by Ontario's PST are on purchases made by businesses, which also include capital investments. This change would provide welcome relief to companies doing business in Ontario and encourage them to invest in new machinery and equipment.

The backgrounder for these pre-budget consultations asked participants to look at any programs that could potentially be eliminated. Our second recommendation would be to see the tax for fuel conservation eliminated and potentially replaced with other initiatives that provide real environmental benefit. In this regard, we look forward to working with the government on its green vehicle project. The tax for fuel conservation has proven to be an ineffective and inefficient mechanism in reaching the environmental objectives that it was originally designed to achieve, largely hidden from public awareness and acting effectively as a flat tax of \$75 on most new vehicles sold in Ontario, which in fact are the cleanest and generally the most fuel-efficient on the road. In our view, the TFFC should be replaced by environmentally progressive policies that are also positive for industry, such as:

- accelerated removal of older vehicles;
- progressively increasing vehicle registration fees for older vehicles;
- expanding the incentives for fuel-saving advanced technology and alternative fuel vehicles.

Currently, the older vehicles are the most polluting on the road. At least 30% of Canada's 19 million vehicles are at least three generations of technology old.

Smog-causing emissions have been reduced on new vehicles up to 99% from the pre-controlled era, and modern vehicles incorporate the most advanced safety technology, yet in any given year, new vehicles represent

only 8% of vehicle registrations. While our members understand the need for stringent, continent-wide fuel economy standards for new vehicles and we are committed to achieving those standards, if we are serious about addressing greenhouse gas emissions and clean air, we need to look at the existing on-road population.

Many members on the committee have significant numbers of their constituents that are employed directly or indirectly by the automotive industry. Encouraging people to purchase new vehicles has a direct correlation to those high-paying jobs, whether in the manufacturing or retail sector.

Finally, the Ontario automotive industry can be a world leader in developing new, clean vehicle technologies with appropriate encouragement of higher-value-added vehicle technologies, such as batteries, lightweight materials and fuel cells.

In general, the next 12 months are going to be challenging for vehicle manufacturers. We will continue to face a strong dollar and a weak US economy, and it's going to have significant ramifications on the automotive industry in Canada, and especially in Ontario, as we ship 85% of our production to the United States.

I'll leave it at that, and look forward to your questions.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Tim Hudak: Thank you very much, Mr. Adams, and thank you for the presentation. I know my colleagues also have questions, so I'll give my two at the beginning, if you don't mind.

The first is, you say that Ontario is one of the highest-cost jurisdictions for automobile manufacturing; we just heard from OPSEU that Ontario is one of the lowest-cost jurisdictions. So maybe you could clarify as to why Ontario is in that position.

Secondly, if you could reiterate—as you mentioned, Premier McGuinty has said he wants to impose Ontario tariffs on imported automobiles from South Korea. Is there such thing as a provincial tariff in the first place, and what would those measures potentially be?

Mr. David Adams: Sure. If I can look at your first question, which was about highest-cost jurisdiction, I think what you'll find is that the competitive advantage, which Canada hasn't traditionally enjoyed in the production of automobiles, was largely a result of our currency. The fact that the currency has gained strength against the US currency has undermined a significant amount of that advantage. I think if you were to talk to my colleagues from the traditional domestic manufacturers as well, the labour agreements that were recently signed in the US also have contributed to undermining that advantage that Canada used to enjoy in terms of vehicle manufacturing. So right now, there are a number of different factors that are impacting the cost advantage that we used to hold.

With respect to your second question, in terms of measures that could be applied against Korea on a provincial basis, I'm not sure that there are any, to be honest. As I said in my remarks, my sense is that that's

not exactly what the Premier meant. I think what he was looking for was a level playing field at the end of the day. My challenge is often trying to help people understand what is an import and what is a domestic. Clearly, General Motors themselves import more passenger vehicles than Kia does, which many would find a surprise, because that's where their whole small-car fleet is coming from—overseas. I'm not sure if that entirely answers your question, but if I can do more, I would be glad to do so.

Mr. Tim Hudak: Thank you.

The Chair (Mr. Pat Hoy): Other questions?

Mr. John Yakubski: Actually, my colleague covered—I was absolutely flabbergasted with the comments by the previous submitter about Ontario being the least expensive place to build a car. You touched on it in your answer about the recent labour agreements and the taking over of health care by employees and the unions themselves in the United States. They've made the gap almost unbelievable in the cost of producing a car in the United States versus the cost of producing a car here in Canada today. It is certainly something that is going to make it increasingly challenging for manufacturers to make the choice to establish here in Ontario if we don't address many of the things that we have control over in Ontario, which is the tax regime and everything else.

Certainly, with the Premier, I think that's exactly what he meant to say, and he just indicated a very poor understanding of international trade rules with regard to tariffs. I believe we should be doing everything we can to encourage those Korean manufacturers to establish assembly plants here in the province of Ontario to level that playing field, but threatening to impose tariffs when you don't even have the authority to do so is a pretty silly thing to start going around doing.

I do appreciate your clarifying that very important piece of information with regard to the changes in the dollar. Even before the Canadian dollar accelerated, we were looking at big changes because of the labour agreements that have been signed south of the border.

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Mr. David Adams: That's right.

Mr. Tim Hudak: On a point of order, Mr. Chair: I appreciate Mr. Adams's presentation. I was of a similar view. The notion of Ontario tariffs against imports is one, I think, that's relatively alien; I don't even know if it's legal. Heaven forbid me to say this, but I think Premier McGuinty may be blowing smoke on this issue. I would ask if we could get a report back—because the Premier did indicate in the media that he has staff to look at these types of tariffs—before we sit down for the report, if we could hear back from the Premier's office as to exactly what these tariff measures may be or if he just misspoke.

The Chair (Mr. Pat Hoy): If you could put that in writing, it would help the clerk.

Thank you for your presentation.

It might be a nice segue for me at this moment to bring up for all of the committee members that research has pointed out that they have quite a number of questions.

Mr. Tim Hudak: Where are they coming from?

The Chair (Mr. Pat Hoy): Their source is unknown to me. But there are a number of them, so, as we move along in these heavier days here in the south, perhaps pertinent questions might be thought about so that we can get them back in time for presentation—not to suggest the last question wasn't pertinent. But we have quite a number, and research is getting somewhat concerned about turnaround time.

ONTARIO BAR ASSOCIATION

The Chair (Mr. Pat Hoy): I will now call on the Ontario Bar Association to come forward, please. Good afternoon, gentlemen. You have 10 minutes for your presentation; there could be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. Greg Goulin: My name is Greg Goulin. I'm the president of the Ontario Bar Association. To my right is our president-elect, Mr. Jamie Trimble. I come from the southwest. He is from Toronto.

The Ontario Bar Association represents 17,000 lawyers, judges, law professors and law students across the province. As the voice of the legal profession, our voluntary membership-based association is the largest provincial branch of the Canadian Bar Association. Our role in advocacy is to advance reasoned positions to the public, to all levels of government, and to our regulator, the Law Society of Upper Canada, for the benefit of our members and to improve the law and the administration of justice.

I would like to address three specific items that we raised last week during the pre-budget consultations held by the Minister of Finance.

The first item is a follow-up to our letter last fall to the Minister of Training, Colleges and Universities asking that debt and interest repayment deferral be extended to law students doing their articles. They are still students, although they have graduated from law school. Most earn a very modest wage during this year, and repayment while they are at articles imposes significant hardship. We're not suggesting student debt should be forgiven, but we are asking for interest and repayment deferral until completion of the articling and bar admission process.

Secondly, I'd like to turn to our oft-repeated request to amend the Business Corporations Act. Under the act, lawyers cannot issue non-voting shares to immediate family members; doctors and dentists can. While it's clearly an issue of fairness, it's most decidedly an access-to-justice issue. In small towns and rural communities, this can be the difference between maintaining a viable law practice to serve the citizenry or packing up and moving to larger centres. The Ontario Bar Association submits that it is unfair and inappropriate to permit doctors and dentists to have this right under the act but not lawyers.

I would like to conclude this brief submission by speaking to you about the reality of Ontario's justice system. As an association dedicated to promoting the rule of law and the administration of justice, it was disheartening, to say the least, to see that no party in last year's provincial election included a consolidated justice plank in their platform. Each party mentioned a piece of the system, whether it was safer communities, ending violence against women or more crown attorneys. But nowhere was there a detailed proposal that showed an understanding of, or a commitment to, Ontario's justice system. That highlights the very urgent need that we want to draw your attention to in these pre-budget hearings today.

The justice system, the rule of law, underpins Ontario's civilized society. We are as relevant and essential as health care and education. Ontario's justice system simply must become a greater priority at the budget table. People's rights and liberties are dealt with in the criminal, civil and family justice systems. Victims seek redress and closure through Ontario's courts and tribunals. The rule of law is the foundation, the cornerstone, of our society.

Decades of underfunding and band-aid solutions because of current media attention have brought us to where we are today: a system straining under its own weight and in danger of allowing access only by the very poor or the very rich. We are encouraged by the recent recommendations of Justice Coulter Osborne on the Civil Justice Reform Project. Much of the Ontario Bar Association's submission to Justice Osborne appeared in his final recommendations, and we believe that swift implementation may begin to address some of the immediate and pressing needs in the system.

We commend the government on the infusion of \$51 million in sustainable base funding for Legal Aid Ontario last year and for the coming two years. It is a significant investment. We are going out on a limb here, however, to suggest that consideration be given to funding envelopes in the legal aid system so that criminal, civil and family law have specific allocations to address the demand. The Ontario Bar Association's submission to Professor Trebilcock detailed a series of recommendations to improve legal aid which we would be happy to share with the committee if they would be of interest.

Central to our submission to Professor Trebilcock is our third specific agenda item, which is the need for continuing significant and sustainable investment in legal aid. This is dire, and there is no other way to phrase it. When over 35% of family law applicants are turned away, that's a lot of single moms and dads with kids in need. The ripple effect on the system is horrendous as they descend into poverty and onto social assistance. Such individuals have no choice but to access the courts, and too often must represent themselves. They are no match for experienced counsel on the other side, and judges must take up valuable court time to instruct them in how to proceed and ensure that the process is balanced. Unrepresented or self-represented litigants now

account for more than 50% of family law matters in many counties in Ontario.

Resources which continue to be allocated on population figures 20 years out of date mean significant delays. Unacceptable wait times aren't just for health care anymore. It takes 13 months in Ottawa to get in front of a Family Court judge after the settlement conference. To put that in clearly understandable terms, it means you can get a hip replacement, a knee replacement, cataract surgery, an MRI and a CT scan in Ottawa before you can see a Family Court judge. Across Ontario, we hear routinely of daily dockets of 100 cases, sometimes more. At best, a judge can clear perhaps 20 or 25 cases in a day. So if you do that rudimentary math, you'll grasp the enormity of this crisis. When the Ontario Bar Association went out and did town hall meetings across Ontario last year, we heard these same stories from citizens and legal stakeholders alike. At our Justice Stakeholder Summit in June of last year, we heard it for two solid days.

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By way of example, putting 1,000 new police officers on the street was necessary and an appropriate response by the government. One must be cognizant of the impact that such an initiative has throughout the system, however. One thousand additional police officers results in tens of thousands more charges, and the system can't keep up with the charges working their way through it now. That's just one reason for plea bargains and early release. The system and those working in it and using it are desperate for your attention. More judges, more courtrooms, more crown attorneys, more referral services and a commitment to alternatives to the courts aren't just nice-to-have items on a shopping list; they're necessary. They are essential and we need them now.

Ontario's justice system must, after decades of second-class status, become a priority of all parties in Ontario. The rule of law and the administration of justice can no longer take a back seat. We sincerely hope that you and your colleagues will reassess the placement of the justice system on the province's priority list. If health care and education are viewed as sacrosanct, then justice must be afforded that same status. Ontarians deserve no less. Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP.

Mr. Michael Prue: Thank you very much. I have three separate questions. The first one has to do with students. There have been several deputations before the committee to date asking that students not begin to pay their loans back until one year after graduation; currently it's six months. If that same standard was applied to articling law students, would one year be sufficient?

Mr. Greg Goulin: It would come close to being sufficient. The articling and the qualification process, as you know, has changed dramatically from our days, even. The point is that normally the articling process can last up to a year, and then there's the exam process, which can take up to six months, or longer in some cases,

depending on how the students arrange it. Our concern is that our young lawyers or potential young lawyers can focus on learning and on qualification before they have to focus on the reality of debt repayment when, during the learning process, there are still not funds available.

Mr. Michael Prue: The second question had to do with people being turned away in family law. This is something I see a lot in my constituency office, particularly in poorer parts of the constituency, or in the city or the province: people coming forward who have no representation. You have said that they represent themselves, which I've seen. They also get social service agencies and other unqualified people to assist. Is there a higher failure rate or conviction rate or those kinds of things when people go without a lawyer?

Mr. Greg Goulin: Generally speaking, that's the case. How should I say it? When one chooses to represent oneself in any endeavour, sometimes there is a loss of objectivity. The loss of objectivity might not only hurt one's cause, but certainly, shall we say, diverts the focus of the issues that are being discussed. This, in turn, results in a greater need for a judicial system that is better staffed, with more judges, more staff, more facilities.

Mr. Michael Prue: The last case you made was about the system being overloaded, and I don't think there's any doubt in anyone's mind, when you see that a case takes a year to get to trial, or two years, in the criminal court; the family justice, you've talked about it being a year before you can even get in front of one. Everything, down to parking tickets, can take a year.

The problem, which you've not dealt with, that I have witnessed in the courts is that oftentimes counsel appears to be dilatory. Is there anything we need to do about that, as well—lawyers asking for adjournment after adjournment after adjournment, I think to the exasperation of the crown and judges universally.

Mr. Greg Goulin: It depends on which system you're talking about. Family, if I may use that term, is a separate entity to civil to criminal. I would suggest to you, sometimes in criminal court a judge might take great relief that at least one case has been removed from a docket they're never going to accomplish anyway. That said, that does not serve the ends of justice, when cases are delayed to the point where they're stayed.

In family and civil matters, you'll find, as well as what is starting in criminal matters, a system that's being imposed that requires movement, which requires progress. I'm a criminal law specialist from Windsor, Ontario, across from Detroit. There, matters go to trial in 90 days, even homicide. That said, the system requires staffing, requires facilities, requires the ability to handle the load. I would suggest to you that if everything was pushed the way it should be, the system would grind to a halt. It's much like a funnel, where the small end has remained the same diameter but the large end, the intake end, has expanded immensely. It is going to clog. The inability to deliver justice does not enhance respect for the law.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ADVOCACY CENTRE FOR
TENANTS ONTARIO
CLINICS' HUMAN RIGHTS
WORKING GROUP

The Chair (Mr. Pat Hoy): Now I call on the Advocacy Centre for Tenants Ontario and the Clinics' Human Rights Working Group to come forward, please. Good morning. You have 10 minutes for your submission; there could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Mary Truemner: Good morning. My name is Mary Truemner. I'm the acting director of legal services at the Advocacy Centre for Tenants Ontario, ACTO for short, a specialty legal aid clinic which is funded by Legal Aid Ontario to improve the housing situation of low-income Ontarians. With me is Mary Todorow, our policy analyst at ACTO.

I thank the Ontario Bar Association for recognizing the need to increase funding to legal aid, but today we are focusing on housing. We add our voice to those calling for concrete dollar investments, starting with this spring's budget, to fund the promised poverty reduction and long-term affordable housing strategies.

With me also is Consuelo Rubio, a community legal worker with the Centre for Spanish Speaking Peoples, whose clinic, like ACTO, is a member of the Clinics' Human Rights Working Group. She will share our time and speak to the need for funding the new human rights system.

Affordable housing is key to poverty reduction and economic prosperity. We have been immensely heartened by and applaud Premier Dalton McGuinty's commitment to establish both a comprehensive poverty reduction strategy and a long-term affordable housing strategy. We won't waste your time speaking about the need for affordable housing; if we had a housing unit for every paper that documents that need, then we really wouldn't need a new housing supply program. But we have attached a nice little set of fact sheets. They're tight and they're at the back of my submission. They look like this.

Support for affordable housing is also on the business community's agenda. At its 2007 annual general meeting, the Ontario Chamber of Commerce noted: "Housing costs are a major source of a wage pressure for businesses.... When there is available affordable housing in the city, this helps mitigate against lost productivity and absenteeism when employees must commute long distances to work. A lack of affordable housing can lead to a host of other, more serious social and economic problems." We agree.

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An effective, long-term affordable housing strategy will be a key factor in the development of a powerful poverty reduction strategy, housing costs being the largest financial challenge for low- and moderate-income households and a critical barrier to fully participating in

the economy. Crucial to the success of both strategies is a bold financial commitment from the province.

While we understand that the development of these multi-faceted strategies will involve consultation, we urge you not to delay making the funding commitments. Put the money in the budget now. We recommend that significant down payments be made in the Ontario 2008 budget on the following four recommendations:

First, a new provincially funded and truly affordable social housing supply program. The allocations under the Canada-Ontario affordable housing program—AHP—have been completed, yet we must sustain the delivery capacity within the sector until the new housing strategy, with a new, improved supply program at its centre, is in place. We agree with ONPHA—you've heard from ONPHA already—that, transitionally, AHP should be extended, incorporating design changes identified through the experience with AHP, such as increased capital subsidies, to improve affordability for low-income households. This is crucial considering that 36% of Ontario's tenant households are living at or below the poverty line.

We also recommend—this is our second recommendation—that money be allocated for new rent supplement programs for low-income households in social and private sector housing, but rent supplement programs should not be considered a replacement for a robust supply program. We also agree with ONPHA's recommendations with respect to an emergency housing allowance program based on average rents that will provide financial assistance for special-priority households urgently needing to access housing.

Our third recommendation is that a social housing rehabilitation and renovation fund must also be established. You've heard from the municipalities. They simply do not have enough money to carry out sorely needed major repairs and upgrades to our aging social housing stock. And who bears the brunt? Tenants, whose health, safety and security are compromised by leaks, mould, out-of-service elevators and broken entry doors. Both ONPHA and CHF, Ontario region, have made solid recommendations on financial mechanisms to repair and renew existing stock, and we agree with them.

Our fourth recommendation, and this is something we fight very hard for, is an increase to social assistance rates, with a shelter allowance component that matches the real cost of housing for recipients. In the past three years, this government has provided modest increases to social assistance rates, increments that fall short of addressing the cost-of-living increases over the past decade, particularly with respect to rent. Please bear in mind as I talk about this that while 96% of Ontario Works beneficiaries are tenants, only 17% of them live in subsidized housing; the rest live in the private rental market. At the back of my submission you will find a coloured chart. We love this chart; it's so clear. You can see that a single mother with two children receives a maximum shelter allowance of \$595, regardless of where she lives in Ontario. Yet in Toronto, the average rent for a two-bedroom apartment in October 2007 was \$1,061

per month, not the \$595 she received to pay for her housing. Fourteen years ago, in 1994, the chart shows a much smaller gap between what was provided and what was needed. To lay the groundwork for the province's poverty reduction strategy, groups such as the Income Security Advocacy Centre—you heard from them last week—and Campaign 2000 are calling for an immediate substantial increase in OW and ODSP benefits and permanently indexing social assistance rates. We echo their recommendations.

To conclude, we urge you to demonstrate your commitment to an affordable housing strategy by putting the money on the line—the line item in the budget, that is. We look forward to new allocations in the Ontario budget that will make immediate investments in the poverty reduction and long-term affordable housing strategies. Thank you.

Consuelo?

The Chair (Mr. Pat Hoy): We have about three minutes left.

Ms. Consuelo Rubio: All right. I'll try to read fast.

As Mary said, I'm with the Clinics' Human Rights Working Group, which is a group of community legal clinic workers with significant experience trying to make the human rights system work for our low-income clients. Our group supported Bill 107, the changes to the human rights system. Now, while hoping that the new human rights system will improve access to low-income and disadvantaged communities, we see danger signs that appropriate funding may not be provided to all three components of the new system: the tribunal, the commission and the new legal human rights centre.

While Bill 107 removed barriers to access to justice, direct access to justice will not materialize unless all three components of the new system are adequately funded to remove language, cultural and physical barriers to ensure full participation of the most vulnerable and marginalized people who are seeking remedies to the violations of their human rights.

In order for that direct access to materialize, there are a number of components that have to be there. There has to be adequate physical space. Funding for interpretation at all stages of the process is vital. There is a need for a local presence and visibility, and for a full staffing complement. Casework cannot be dumped on over-extended community agencies and clinics.

I'll go one by one now. I wanted to make sure that I got everything in.

Adequate physical space, number one: The centre and the tribunal will have to be equipped to receive claimants in their offices. Many low-income individuals do not have regular access to a phone or the Internet.

Funding for interpretation at all stages of the process is vital. I guess this one is very dear to my heart. Many claimants will come to those human rights offices without English or French, particularly those alleging discrimination because of race, ethnic origin or place of origin. The centre and the tribunal must be accessible by ensuring that service providers have extra time to

interview clients and to translate and interpret necessary documentation. To receive adequate legal services, clients require full professional interpretation services, including cultural interpretation, rather than a makeshift approach of using whoever is available. I would urge the use of a model similar to the one used by the Workplace Safety and Insurance Board—the private sector got it right—that ensures access to interpreting in offices and during all tribunal proceedings.

As an example of the level of need, in 2007, 18.6% of Workplace Safety and Insurance Appeals Tribunal hearings required interpreters, and in the 2006-07 period, 17% of Social Benefits Tribunal hearings required interpreters. The figure might be a bit higher, considering the nature of the proceedings in human rights.

The need for a local presence and visibility: Regional barriers to access to justice are significant for individuals living in rural areas and in northern Ontario, particularly aboriginal persons. Legal aid clinics in the north have identified the greatest barrier as physical access to basic services. Without a car, in an area with no public transportation, a long journey is not possible. There is a need for accessible and locally visible legal services that can bring services to clients. Local facilities with case-workers equipped with the Internet and fax are crucial, such as the satellite clinics operated by community legal clinics. Proximity and visibility increase the likelihood that people will come to understand that they have protections from discrimination and are able to exercise their rights.

Full staffing complement: Service providers at the human rights support centre in particular will need to take the time to fully explain legal options to ensure that clients are empowered to make informed decisions. Mental and cognitive disability should not disqualify claimants from claiming human rights. They will need to be accommodated, which requires recognition that interviews will be lengthy and are likely to need repeating. In the real world, a disabled client might easily have a bad day or miss an appointment, particularly if they are surviving homelessness, as so many mentally disabled Ontarians are. This personal and time-consuming service requires that the legal centre be adequately staffed; that is, adequately funded.

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Casework cannot be dumped on overextended community agencies and clinics. We're sort of the dumping ground. If anybody doesn't want to deal with someone, that is where people are sent.

Clients will continue to seek out legal assistance from trusted service providers, which include community legal clinics. These service providers are already stretched to the limit with housing, income security, workers' compensation, refugee and employment law casework. We can be a resource, but we cannot be relied upon to provide the services the centre and the tribunal have been legislated to provide.

This is a historic opportunity for Ontario to be an international leader in promoting and ensuring human

rights and remedies for violations. We urge you to ensure the new system can function at its best by providing a substantial investment of funds.

Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government.

Mr. Charles Sousa: Thank you very much for being here today. I appreciate the work you do in terms of helping and the initiatives you've taken to help those most vulnerable. I appreciate that.

Today I'd like to ask you a question in regard to the Residential Tenancies Act. Some have said that it fulfills our government's commitment to provide tenants and landlords with strong and balanced protection while fostering a more robust rental housing market, including better protection for tenants, including provisions for better-maintained buildings whereby landlords can increase rents while things are under control; maintenance; guidelines for fair rent increases at 1.4%, the lowest in Ontario's regulatory history; elimination of unfair eviction processes, where no automatic convictions are available—every tenant now has the ability to be heard before the Landlord and Tenant Board; and new rules for utility increases, where landlords must then reduce rents if costs go down. That includes the same for capital expenditures after those expenditures are paid off.

So I guess my question—and, Mr. Chair, please don't misinterpret this as a government policy; I'm simply wanting some clarity here.

Interjections.

The Chair (Mr. Pat Hoy): Order.

Mr. Charles Sousa: Today we heard from the Federation of Rental-housing Providers of Ontario, and they are calling for Ontario to repeal the 2008 rental guideline as being unfair and detrimental to fostering investment in this sector. Can you please give me what your response would be to that?

Ms. Mary Todorow: In terms of the rent increases not being enough? Well, we still have vacancy decontrol in this province, which means that on turnover, a landlord can increase the rent of a unit to whatever the market will bear. The fact is that tenants' incomes have been declining, and it's a lower and lower income pool of potential tenants who are available to fill those units. So the fact that they are moderating the rent increases at this point, where there is a slightly higher vacancy rate—and it hasn't been prolonged. It's been higher than in the last 30 years, but it hasn't been a prolonged period of higher vacancy rates. If there's not enough supply coming out, you'll see those rents going up again.

Mr. Charles Sousa: That's it. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

KNOWLEDGE ONTARIO

The Chair (Mr. Pat Hoy): I call on Knowledge Ontario to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up

to five minutes of questioning. I ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Peter Rogers: Good morning, Mr. Chair. My name is Peter Rogers. I am the chair of the Knowledge Ontario board. I have with me David Thornley, who is our new executive director, as of a week.

On behalf of the board and staff of Knowledge Ontario, we welcome this opportunity to share with you our ideas and plans for the future in contributing to a more innovative, inclusive and digitally literate Ontario.

This morning, we will focus our remarks in three areas: the unique value proposition that Knowledge Ontario represents to the people of Ontario, project achievements to date in delivering important new collaborative services through our partners, and an outline of the steps we have taken to create a foundation for success and plans we would like to pursue with your active participation and support.

Knowledge Ontario is a unique collaboration involving Ontario's 6,500 libraries—public, school, university, college and government libraries—designed to meet the learning and information needs of all Ontarians. Knowledge Ontario holds the promise of providing equitable and seamless access to high-quality digital content and services to people at every stage of life and reflective of Ontario's diverse communities.

Libraries represent a highly trusted source of authoritative information in meeting the learning needs of students, both K to 12 and post-secondary settings; workers seeking to develop and upgrade employment and technical skills; as well as consumers and hobbyists looking to satisfy their leisure, entertainment and health information needs.

The government of Ontario has clearly articulated the importance of building a knowledge-based economy by strengthening education and skills, leveraging diversity and enabling a culture of innovation. Knowledge Ontario fully embraces this view. Our vision and objectives are rooted in collaboration and promote a culture of innovation in our schools, our cultural institutions and our communities.

Equally important, Knowledge Ontario is committed to playing a major role leveling the playing field in terms of access to digital content and services. Through our projects, all Ontarians, regardless of where they live, are able to benefit from similar access to databases, research findings, broadcast media and the richness and diversity of the province's culture and heritage sites. This digital content would not be available to many smaller communities and libraries without Knowledge Ontario's ability to leverage seamless access for everyone as part of negotiating cost-effective province-wide solutions. In our view, such access is critical in enabling the creation of an informed, educated and engaged citizenry ready to meet the challenges and embrace the opportunities of the knowledge economy.

With an investment of \$8 million provided in the spring of 2006, Knowledge Ontario has embarked on the first stage of an ambitious five-year plan that will see the

launch and development of six distinct but mutually reinforcing project areas:

—Ask Ontario, a real-time interactive virtual online reference service called askON;

—Our Ontario, an easily accessible next-generation portal delivering Ontario's history and culture in digital form, with more than 60,000 images already available on the site;

—Resource Ontario provides access to quality online authoritative databases from home, school and the workplace, delivered free to all Ontarians;

—Connect Ontario, a new online public access catalogue creating not only a rich new searching experience but also offering shared space for people using library services to connect in social networks—a library Facebook;

—Teach Ontario, online teaching modules to assist all Ontarians to improve and enhance their online digital literacy and searching skills;

—Video Ontario, a service focused on delivering equitable access to streaming video resources right across the province.

We have focused our initial investments on the first four project areas to ensure a sufficient critical mass to support rapid deployment and demonstrate early success in three areas:

—access to high-quality digital databases—magazines, newspapers, scholarly journals—in small and medium-size communities across Ontario that otherwise would not have been able to secure access to such resources. Thunder Bay and Niagara-on-the-Lake, for example, have gone from one or two databases to over 40. These databases were acquired through a province-wide bulk purchase agreement at a huge discount;

—leveraging broad participation and in-kind contributions from key stakeholders both within and beyond the library community in developing award-winning and innovative services such as Our Ontario;

—extending the capacity of existing library resources through online chat and other Web-enabled technologies to support learning and research needs through connections from anywhere people live, work or play.

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Some key project achievements: We would like to briefly summarize a few key project milestones and achievements to help illustrate how much we have been able to accomplish since the spring of 2006.

Resource Ontario: This project initiative is focused on negotiating province-wide licensing and providing distributed access to a suite of online databases to all Ontarians in 6,500 libraries. These databases are available free of charge to library patrons, 24 hours a day, seven days a week, from anywhere in the province with an Internet connection. Access to these learning and research resources would not be possible in many smaller communities without the work of Resource Ontario. These database licences are for an initial two-year period. In the last quarter of 2007 alone, usage of the databases totalled more than 4.5 million sessions, with roughly two

million document retrievals. The ability to sustain and extend this project will depend on our ability to secure an ongoing funding commitment from government.

Our Ontario, a unique partnership with cultural and heritage organizations of all shapes and sizes, creates the ability to navigate and find thousands of individual learning objects in minutes. Libraries, museums, archives, historical societies, government agencies and community groups are uploading hundreds of resources daily. In addition to the existing Our Ontario search and delivery of digital objects, we are launching a government document mini-portal as part of the site on February 1; over 20,000 documents from the Legislative Assembly of Ontario will be available to the public, with browse and search capabilities. The ability to search and obtain the full text of over 20,000 government publications is a unique service, fulfilling a key mandate of our 2006 business case.

Last fall, we implemented our VITA software tool kit and provided both virtual online and in-person training. We've received strong positive feedback about how easy it is to use. This service is critical to our efforts to support smaller communities and organizations. David Sharron, head of special collections and archives at Brock University, for example, used the VITA tool kit to upload and showcase the original Welland Canal maps. Both small organizations with limited resources, such as Kapuskasing, and large organizations such as Wilfrid Laurier University, are using the VITA software.

Ask Ontario/ONDemande are the brand names for Ontario's online, real-time chat research and reference service. Phase 1 of Ask Ontario involves Ontarians from 17 communities around the province chatting in real time with expert library staff who can help find relevant and authoritative information, answer questions, deliver articles and improve the public's web searching skills—the library's online Telehealth equivalent. The askON project came together quickly. Since June 2007, librarians from around the province in all library sectors have contributed hundreds of hours serving on the askON project, focusing on implementation, technology, marketing and service. The service was developed and able to be launched in six months for two reasons: One was collaboration, and the second was a strong desire among Ontario's libraries to explore and leverage the strengths and expertise within our publicly funded library sectors. The Minister of Culture, Aileen Carroll, will officially launch this project on January 31.

In parallel with this initiative, Knowledge Ontario partnered with TVO's Independent Learning Centre to deliver 4ReSrch in September 2007. Provided through the Ask a Teacher online tutoring service, experienced teacher-librarians offer real-time online support to improve students' research and information literacy skills. Since September 15, the online teacher-librarians have answered 2,386 questions. They're running neck and neck in math and science, by the way.

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Mr. Peter Rogers: Thank you. I'm going to just skip on a little bit here because of that.

Knowledge Ontario has built a solid foundation, and we now look to the province to continue to partner with us as we embark on the next stage of our work: the doors, windows and living spaces of a full-fledged provincial digital library. We have established a new vehicle for the province, not only for delivering digital resources and services but also for bringing a level of equity of access to information across the province.

One of our librarians, and a member of the board, Ken Roberts, related this story to me and I'm going to read it to you.

"My sixteen-year-old son, Caleb, has a condition called multiple endocrine neoplasia.... He was diagnosed with this condition more than 10 years ago. As soon as his specialist said the term, I raced to the Internet and conducted a search. Internet resources said, as they still do, that my son was going to die, probably in his teens, of a painful and rare form of cancer. I then raced to look up the condition in medical reference material in the library. Even newly published material said exactly the same thing. At that time, the Hamilton Public Library had staff access to electronic databases. It was the same type of information now available to the public as a result of Knowledge Ontario's licences. I discovered, after searching those databases, that new medical research suggested a process that just might save Caleb's life.

"Today, Caleb is the first Canadian to have been declared 'cured' of the cancerous condition.... When people talk about the fact that books are friendlier than electronic screens, I tell them the story of Caleb and ask them which was friendlier, the books that said my son would die or the electronic information that saved his life?"

Thank you for your time and your attention.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. John Yakabuski: Thank you very much Messrs. Rogers and Thornley for your presentation today. It's great to hear about Caleb's recovery, like a new life, and that's fantastic. I have a sixteen-year-old son as well, and I can only imagine what I would have been going through if I was dealing with those same situations.

You talked about equity throughout the province. I think we'll all agree here—I don't think there will be a dispute on that—on the importance of knowledge. Knowledge, and I don't say this is an abusive way, is power. To have knowledge is to give you a whole lot of options, not just today but forward, as we go into the future as well, no matter what your pursuits may be.

You talked about equity, and I wanted to talk about the government, when they cancelled the broadband plan back in 2004, and then last year—election year—they came up with \$10 million for a rural broadband program across the province of Ontario. I think you would have to accept that \$10 million across all of rural Ontario is a pretty thin coat of paint with regard to helping people get access to that kind of service. In my area—I come from

the riding of Renfrew–Nipissing–Pembroke—for a great number of our citizens, the only Internet access they have is dial-up.

Your first experience on the Internet was one that didn't necessarily give you the most up-to-date information, but the books were also not up to date. I always caution people that while the Internet is a tremendous source of information, it shouldn't be something we rely on exclusively. But it is a good first step to getting us to where maybe we need to get more in-depth information and possibly in touch with the professionals that can help us on those very complicated issues that we may be looking into. But having access to that is paramount to being able to have equality throughout the province of Ontario.

When you're talking about \$10 million across the province of Ontario, it doesn't amount to a hill of beans, as they say. If the government is serious about making sure that rural people have access—now, there are private companies, Explorenet and others, that are looking at providing Internet through satellite and through towers and stuff like that. But again, the rural people are also among the lowest-income people, on average, in Ontario. Those services will cost significantly more than services that someone could provide to a number of people through one service provider source, or whatever you want to call it—satellite, towers or whatever.

The Chair (Mr. Pat Hoy): You have about a minute left.

Mr. John Yakubuski: Yes. You haven't talked about the importance of the government specifically to rural Ontario and what they must do to allow us to participate equally in that knowledge pursuit.

Mr. Peter Rogers: No, but we have been tackling the broadband issue with the government. There is a system already in place called ORION, which you may know about, which was funded by the government and is now a private organization. We've been struggling with the government and ORION to push that agenda, so that everybody in the province has access. Right now, the good part of the resource databases is that most of them do not rely on broadband, they can be accessed through the other way. But that doesn't give the answer of where we have to go with it. Because we are a collaborative group and because we represent these five huge sectors in the province, we're able to call people like ORION to the table.

ORION right now has a study going on that is looking to bring all the school boards on their network. Already, the colleges and universities are all on the network, so that's a big movement. Of course, if the school board decides through the education ministry that they're going to join the ORION network and that money comes from the ministry, the question then is: Where are the public libraries in all of this? So the thing is very closely tied together.

We've wanted to run very careful stepping stones here, because we're all about the content, and we don't want to have to take all of our money and put it into the

broadband. We think that Ontarians all across the province also deserve high-speed, and that that is a government priority; if they're going to deliver service to Ontario, it's also a priority there. But believe me, we have our eye on it all the time, and we're pushing that agenda as well. That's all I'll comment on.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Peter Rogers: You're welcome. Thanks for the opportunity.

The Chair (Mr. Pat Hoy): The committee is recessed until 1 o'clock.

The committee recessed from 1201 to 1306.

ONTARIO CHIROPRACTIC ASSOCIATION

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. Our first presenters of the afternoon are the Ontario Chiropractic Association. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I'd ask you to identify yourselves for the purposes of our recording Hansard.

Dr. Bob Haig: Thank you, Mr. Chairman, ladies and gentlemen. My name is Dr. Bob Haig. I'm the executive director of the Ontario Chiropractic Association. With me is Dr. Tom Gadsby, who is the president of the Ontario Chiropractic Association. He practises in Beamsville, Ontario.

The Ontario Chiropractic Association strongly supports the government's focus on reducing poverty, providing opportunities for all, and building a healthier Ontario. The association is committed to working with the government of Ontario to help achieve these goals.

The government's decision to increase investments in dental services for children and low-income Ontarians clearly demonstrates its commitment to vulnerable populations. As well, Queen's Park continues to make strategic investments in health care to reduce wait times and improve access to health professionals. The 29% increase in health care expenditures from 2003-04 to 2007-08 exemplifies the government's commitment to improving health care delivery and ensuring sustainability.

The health care system's sustainability, however, depends upon the implementation of increased measures to improve general wellness and prevent illness through the promotion of healthy, active lifestyles and the appropriate use of our health care human resources. As primary care providers, Ontario's chiropractors are ideally positioned to work collaboratively with other health care professions as part of family health teams and local health integration networks. The OCA believes that family health teams and LHINs that include chiropractic ensure the highest quality care for patients and promote greater access to chiropractic for vulnerable populations while easing the burden on other professionals in the health care sector.

Dr. Thomas Gadsby: The OCA was heartened when Health Minister George Smitherman indicated that despite delisting, chiropractic services could be made available through family health teams, and, as family health teams evolve, we are aware that the government continues to consider how chiropractic and other health care services are to be included. For this reason, the Ontario Chiropractic Association felt it important to share with you the results of recent research into the effectiveness of including chiropractic in family health teams and other primary care settings.

You may be aware that there are three recently concluded pilot projects funded by the primary health care transition fund which studied the effects of integrating chiropractors into three different primary care settings. At Toronto's St. Michael's Hospital, under the leadership of Dr. Deborah Kopansky-Giles, chiropractors are now on staff working with medical doctors, physiotherapists and other health care providers in the hospital's department of family and community medicine. Dr. Silvano Mior, a chiropractor and researcher, has led a recent interdisciplinary collaboration study in three family health teams. The Rosedale Medical Group in Hamilton, one of the sites, includes a full range of health care providers, from family physicians and chiropractors to nurse practitioners, registered nurses and mental health professionals. The study has found that the number of patients taking medication for neuromusculoskeletal conditions, including back pain and repetitive strain injuries, decreased by 23% when treated by a chiropractor.

In the Ottawa area, a pilot was conducted at Carlington Community and Health Services to investigate the impact on both traditional medical providers and patients of introducing a chiropractor into a community health centre setting. This study has demonstrated the ability of chiropractors and traditional medical practitioners to work together in a collaborative multidisciplinary team, and to successfully treat clients of CHCs with complex chronic conditions. In all cases, the working relationships established among the chiropractors, physicians and others on the health care team were positive and resulted in improved patient care. There were consistently high patient and provider satisfaction scores, there were positive clinical results of reduced pain and disability in all settings, and there was reduced medication use—both frequency and dosage—in the one study in which this was measured.

Back pain is one example that illustrates the benefits of including chiropractic in integrated primary care settings. Health Canada has reported that back pain is the second most common reason for seeing a medical doctor. It is a problem that costs the Canadian health care system more than \$16.4 billion a year in direct and indirect costs, including prescription pain medications and surgeries.

In multidisciplinary settings, such as family health teams, where providers work collaboratively, more patients suffering from back and joint pain should be treated by chiropractors, easing the burden on general practitioners and significantly reducing costs. Chiro-

practors working collaboratively with physicians and other health care providers have been shown to reduce the wait list for spinal surgery by an estimated 70%.

The many complex needs of patients are beyond the expertise of any one health profession, and patient-centred care requires interprofessional collaboration. As family health teams evolve, the inclusion of chiropractors can help ensure the best use of Ontario's resources and the best care for Ontarians. The results of the pilot projects cited above demonstrate that a more systematic and concerted effort to include chiropractic in integrated settings will benefit patients, other health care professionals, and the health care system as a whole.

When chiropractic services were delisted from OHIP in 2004, there were both direct and indirect consequences. A survey of OCA members determined that the numbers of chiropractic patients in three vulnerable segments of the population had significantly declined since delisting. These include those on social assistance, the working poor, and some seniors on fixed incomes. This decline reflects the financial barrier the vulnerable populations now face in accessing chiropractic services, and it is an unfortunate and unintended consequence of delisting.

Today, approximately 1.2 million Ontarians use the services of a chiropractor every year. Of these patients, approximately one third suffer from chronic pain. Meanwhile, Ontarians who are members of those vulnerable populations continue to access health care, but, instead of utilizing relatively affordable and easily accessible chiropractic care, many are now turning to emergency rooms and family physicians, whose services are fully funded by OHIP. A report on utilization of the Mt. Sinai emergency room found that back pain was the eighth most common non-urgent condition to present. This is despite the fact that back pain is almost never an emergency.

In March 2007, the government of Ontario presented a budget designed to expand opportunity for all Ontarians. Specific measures were introduced to help those living beneath or near the poverty line. Premier McGuinty has repeatedly stated his commitment to addressing the needs of Ontario's vulnerable populations.

As Ontario's population continues to age and the prosperity gap continues to widen, including chiropractic in family health teams across Ontario would significantly improve access to chiropractic for vulnerable populations by removing financial barriers. Such a move dovetails perfectly with the stated goals of this government to reduce wait times and build a healthier Ontario, and is clearly aligned with the government's commitment to provide opportunity for all through the provision of services to aid Ontario's most vulnerable citizens.

Working collaboratively with other health care providers to improve continuity of care and thereby help patients to stay healthy and active, chiropractors can help to prevent injury and illness and lead to a reduced reliance on more costly medical interventions.

In the interest of building a healthier Ontario, the OCA, in conjunction with Ward Health Strategies and the DeGroot School of Business at McMaster University, has developed a proposal that includes detailed funding options for the government's consideration. Each funding option is offset by savings elsewhere in the system. For instance, there is mounting consensus that members of vulnerable populations who would have otherwise seen a chiropractor have increased their use of family physicians, emergency rooms and medical specialists. Costs can be tailored to a variety of options, as outlined in appendix A, and will be contained depending on service offering.

The OCA has presented the Ministries of Health and Finance with a plan including the social and economic rationale to provide modest funding for these groups. We urge you to consider that plan carefully and address this issue in the 2008 budget.

Thank you for your time and for this opportunity to speak today.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the NDP.

Mr. Michael Prue: Before I actually get into your plan, which I've seen before and which is a good one, I'm just puzzled by a couple of the statements that you made. You made the statement, to start, "A survey of OCA members determined that the numbers of chiropractic patients in three vulnerable segments of the population had significantly declined since delisting." You mostly talk about people who have very little income, and that is no surprise, but then you go on to state—and this is where I need to ask the question—"This decline reflects the financial barrier the vulnerable populations now face in accessing chiropractic services, and it is an unfortunate and unintended consequence of delisting." Surely the government knew. I think every opposition member who spoke against this in 2004 talked about these three groups being denied—and would be denied—service. Why do you think it was unintended? I think they intended to do this.

Dr. Bob Haig: I understand where the question's coming from, and you understand better than we do the complexities of putting a budget together. The association does not believe that it was the intent of the government to put anybody at risk by doing that.

Mr. Michael Prue: What was their intent, then?

Dr. Bob Haig: The Minister of Finance was clearly putting together a budget that was focused on health and had to take steps in order to secure the funding. That was not the only financial health-related initiative in that budget.

Mr. Michael Prue: Are you saying he was unaware of the consequences, that poor people would be in pain, that poor people would be unable to access the service?

Dr. Bob Haig: I can't speak for either of the ministers or the government, but we don't believe that they intended at all to put anybody at risk, particularly these groups of vulnerable Ontarians.

Mr. Michael Prue: But now that they know that, should they be relisted?

Dr. Bob Haig: We believe that it would be wise, not just for those particular people but for the health care system as a whole, if they did provide that access. We're actually looking at the long view, not the short view, and the long view is that for the health care system to function well down the road, you need to make the best use of the resources, including human resources.

The other unfortunate consequence of delisting is that it has hampered the ability of practitioners to collaborate. We think it's very important down the road that practitioners be in a setting and an environment where they can collaborate on patient care. That's why there are different options presented, one of which specifically talks about integration with existing primary care reform initiatives such as family health teams.

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Mr. Michael Prue: The options that you have, just so that they're part of the record—I can see that they cost differing amounts of money. You have the proposed funding model on page 6, then you have a mixed population model bottom of page 6 and over onto page 7, both of which cost different amounts. What's the difference between these two, in a nutshell?

Dr. Bob Haig: The fee-for-service option is simply providing some funding for those individuals who are identified on a fee-for-service basis. The mixed population model would provide fee for service for those people who are not rostered with family health teams, but would provide a blend of capitation and fee for service, a blended model for the patients who are rostered to a family health team. We believe that's preferable because it moves the reform agenda forward as well as assisting these people who have been unintentionally disadvantaged.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO COALITION FOR BETTER CHILD CARE

The Chair (Mr. Pat Hoy): Now I call on the Ontario Coalition for Better Child Care. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Andrea Calver: Thank you. My name is Andrea Calver. I'm the acting executive director at the Ontario Coalition for Better Child Care.

Ms. Rebecca Truong: I'm Rebecca Truong. I'm a placement student at the Ontario Coalition for Better Child Care.

Ms. Andrea Calver: On behalf of the Ontario Coalition for Better Child Care, I want to thank you for inviting us here today. We have a very broad and diverse membership all across Ontario. Our fundamental beliefs

are for universal child care, publicly funded child care, high-quality child care and not-for-profit child care.

On the positive side, we are really hopeful about the new full-day learning program which has been proposed for four- and five-year-olds. The program is universal, and it's publicly funded: That's exactly what we've been fighting for and what we've been calling for for many years. We are hopeful that it will expand the number of children in Ontario who have access to high-quality early learning and child care.

But as you know, that program is actually several years down the road, and in fact, child care can't wait. As of today, only about 12% of children in Ontario have access to a licensed early learning and child care space. Of course, the research is totally clear that early learning and child care helps children's development—not just poor children; it actually helps the development of children from all income groups.

Despite all of what we know and what Fraser Mustard has taught us and the other research projects that have gone on recently, Ontario still does quite a bad job of providing high-quality early learning and child care programs, so it will come as no surprise to the committee that we are calling for a greater investment in publicly funded child care. We do want universal child care for all children in Ontario; however, we also recognize that it's easy to work with targets, that it's easy to have a goal. We want to have something reasonable and quantifiable that we can work towards, so we are proposing that over the next five years, Ontario will have 25% of our children in a licensed and public early learning and child care program.

When full-day early learning is achieved, it'll help us move towards that goal, but we cannot rely solely on improvements for four- and five-year-olds in terms of what needs to be done for the comprehensive child care system. We must continue to build that system for all children ages zero to 12; 12 years old is, of course, when children are able to look after themselves.

However, there's another significant problem that does need to be addressed in the budget, beyond just space creation. It's also not news that the workers in child care are underpaid and undervalued. Child care is often seen as women's work, and child care workers often don't make enough to support their own families. We believe that can change and that must change.

I've invited Rebecca Truong from Ryerson University to join me so that she can address some of the difference that pay equity has made in the past and that we believe pay equity can make in the future in terms of the incomes of child care workers.

Ms. Rebecca Truong: Hi. My name is Rebecca Truong, and I have my early childhood education diploma from Centennial College. Currently, I am doing my degree in early childhood education at Ryerson University, and I am in my third year.

I made the choice to work with children because I really enjoy being a part of their learning and development process. I know I won't be able to make a

lot of money in this field, but I also know how important the work is. I am proud of the hard work that child care workers commit themselves to for the children and families in our communities. But why should our work be so underpaid and undervalued?

Even while I am in school, I can already see some of the implications and the lack of opportunities in the field and the lack of good jobs in early learning and child care. When I was doing my placement at a local non-profit child care centre back in college, most of the ECEs there made only \$9.50 an hour. With their early childhood education diplomas, some of my fellow graduates from college went on to jobs paying \$9, \$10 or \$11. In my Canadian politics class, I learned that individuals cannot obtain well-being and good opportunities in life with such wages. Hence, in any neighbourhood of Toronto and in any part of the province, it's hard to stay committed to a profession that pays so little.

I know the high rates of turnover, lack of adequate pay and low benefits in the field will impact the ability of many early childhood educators to work in the profession and for quality child care to occur in our communities.

As I am beginning my career, I'm optimistic for change. Pay equity has made a difference for early childhood educators. We are overwhelmingly women—in fact, 98%. Pay equity has improved the wages paid to women working in my field. But 20 years after pay equity has become the law, pay equity is not fully implemented for early childhood educators. In fact, starting in 2006, the provincial government stopped paying the pay equity adjustments that were negotiated as part of a settlement in the charter challenge case.

The Ontario government now says that individual child care centres must pay the cost for pay equity. Costs for child care in Ontario can be anywhere from \$40 to \$60 a day. Parents pay a tremendous amount. Child care is unaffordable for many parents, especially for child care workers who are parents. Early learning and child care is provincially funded. We need the government to resume pay equity adjustments that will benefit 100,000 women who are working to provide public services, including me.

I am asking you to recommit to pay equity. Pay equity has made a difference. Pay equity needs to apply to all women. We need to close the gap in wages now. Thank you.

Ms. Andrea Calver: Thanks, Rebecca.

The other mechanism for improving the wages of child care workers and early childhood educators is the province's wage enhancement grant, which is an established program that was created to lift child care workers out of poverty. It's a substantial amount of money. It's approximately \$9,000 for a child care worker. But it has been frozen for 10 years. That means entire child care programs don't qualify for the wage enhancement grant; staff working side by side may earn different amounts of money because a position was created without the wage enhancement grant. So we call on the government to support a universal wage

enhancement grant and to make sure that that funding specifically created for child care workers is available to lift child care workers out of poverty. That's in addition to maintaining the pay equity adjustments that have been so successful in the past and that we hope will continue to raise the wages in this sector.

With a significant infusion of public money, we also think it's time for Ontario to commit to licensing only in the not-for-profit sector, the municipal sector and the First Nations sector. We believe that existing commercial programs should be grandfathered but that our future investment should go to the benefit of children, not corporations.

Fundamentally, it is important to set those goals and those targets. We do believe in bringing the high-quality programs to all Ontario children, but if over the next five years we successfully achieved a 25% rate of children in a licensed early learning and child care program, that would be an incredible step forward and an incredible step in the right direction.

I want to thank you, and I want to welcome any questions that you might have.

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The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mr. Charles Sousa: Thank you very much for being here today. I really appreciate the work you do. My wife also had early childhood education training, back when we were young, and I come from a family of teachers. They always reiterate and remind us of how important it is to get it right at the get-go, when the kids are really young.

You spoke about Dr. Fraser Mustard and some of the work that I've seen him do with Beatrice House here in Toronto. I know a few years back Margaret McCain and Charlie Coffey wrote something to the previous government to try to have them initiate programs for early childhood education. It's so important.

So then we talk about some of the programs that are out there with national child care. There's a move afoot to give tax breaks and cash rebates as the alternative to support families with children. What are your impressions, and what is your recommendation to us?

Ms. Andrea Calver: Unfortunately, the loss of the national child care program was a huge loss. It was a huge cut in money that could have created a national, comprehensive, not-for-profit system. And \$100 has not created a single space in the entire country, so it has been a completely failed policy. I think it goes to show that investments in public programs need to come from fair levels of taxation. Those parents who have \$100 I'm sure would far rather—my sister is in Quebec. She has two kids in Quebec, with its \$7-a-day child care system; \$100 wouldn't help her have her two children in that high-quality program. I know, if given a choice, she would absolutely choose for them to keep the \$100 and to have the high-quality child care.

Mr. Charles Sousa: Thank you very much.

Ms. Leeanna Pendergast: Do we have—

The Chair (Mr. Pat Hoy): Yes, we have three minutes.

Ms. Leeanna Pendergast: Thank you for your presentation, both of you, and congratulations on your studies in early childhood education. That's very noble.

I did want to reiterate a couple of things. This government has created 22,000 more child care spaces, and that is significant, and we continue to keep our eye on that. As well, the full implementation of junior and senior kindergarten is quite significant, and I say that as an educator of over 20 years.

With a total social service investment of \$10.9 billion, the question I have for you at this point as a mother of young children and as an educator of over 20 years—there's a lot more to be done; there's a lot of hard work to do—what would you prioritize as the most immediate next steps?

Ms. Andrea Calver: There are over 11,000 children on the city of Toronto waiting list alone, over 10,000 in Ottawa. Every city in Ontario now has a waiting list for child care. Every parent would prioritize more spaces, because it's an obvious need. If we're serving 12%, what's happening to the other 88% of children? So every parent would tell you that they want access to a good space where they can feel comfortable leaving their children.

But really, within the field, there is this crisis in terms of working conditions. It is harder to keep people in the field. The turnover rates are substantial. If you talked to child care providers, they would tell you that their most significant challenge is the low rate of pay.

I actually don't think you can do one of those things without doing the other. You're right, the government has certainly flowed through the federal money and created a significant number of spaces. They did a 3% increase last year. So those are welcome small steps, but to fundamentally change this profession and make it something that people can feel proud of and dedicated to for their lifetimes, we do need to substantially increase the spaces and substantially lift the standards, because we simply can't keep people in the field at \$9, \$10, \$11 an hour. The good jobs are out there, but they're not the majority of the jobs in early learning and child care, and that's a real tragedy.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO CONFEDERATION OF UNIVERSITY FACULTY ASSOCIATIONS

The Chair (Mr. Pat Hoy): I call on the Ontario Confederation of University Faculty Associations to come forward. Good afternoon. You have 10 minutes for your presentation, and there could be up to five minutes of questioning. I'd ask you to identify yourself for the purposes of our recording Hansard.

Mr. Brian Brown: Thank you, Mr. Chair. I'm Brian Brown, president of the Ontario Confederation of University Faculty Associations. On my right is Henry

Mandelbaum, the executive director of OCUFA, on my left is Mark Rosenfeld, associate director of OCUFA, and on my far left is Russell Janzen, one of our research analysts.

I'd like to begin by thanking the committee members for their hard work and for having us here today. We very much appreciate the opportunity to share our research on post-secondary education.

There are three numbers I would like you to take away from this presentation: 22 to 1; 5,500; and 260 million. Twenty-two to one represents the student-faculty ratio that is enjoyed by students in the rest of Canada on average, 5,500 is the number of new faculty that need to be hired to bring Ontario's student-faculty ratios up to the Canadian average, and 260 million is the amount of money that the government needs to invest in repairing crumbling infrastructure.

First, some background: The Ontario Confederation of University Faculty Associations represents more than 15,000 professors and academic librarians in Ontario universities. We have advocated since our inception for a post-secondary education system in Ontario that will advance not just the life prospects of individual Ontario students but also the social health and economic prosperity of the province as a whole.

Ontario's academic community has applauded and supported this government's commitment to higher learning. The government's \$6.2-billion investment in 2005 was the largest made to the post-secondary sector since the system expansion in the 1960s, and we congratulate the government for its vision. To a large extent, the government and the universities are victims of the success of these initiatives. More students are seeking access to university education, which has only increased the need for more full-time faculty and space to provide quality education. This is where those three numbers come into play.

First is the problem of student-faculty ratios that are extremely unbalanced. Students in Ontario must compete much harder than students in the rest of Canada and in the United States just for time with their professors. Faculty in Ontario teach more students on average than faculty in the rest of Canada. Worse still, Ontario faculty members each have 10 more students to teach than professors in American peer institutions.

Second is the problem of not enough faculty. Ontario's university classrooms are already bursting at the seams. Some class sizes are 500-plus and growing. The number of hours a graduate student has the undivided attention of a faculty member is 20% less than 10 years ago. Large class sizes at the undergraduate level and certainly at the senior and graduate levels affect quality in the classroom and diminish Ontario's ability to compete with universities in other jurisdictions.

Third is the problem of deferred maintenance of university buildings. Much-needed maintenance has been deferred for so long that real problems are occurring with university infrastructure. Simply to maintain buildings in

their current state requires \$260 million per year. To upgrade them to a standard of excellence comparable to the goals of Reaching Higher would be more than \$450 million per year. In 2004-05, students had 25% less classroom and lab space than they needed.

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Finally, we must acknowledge the inequities in the treatment of research. Research and development is critical to the economy, but Ontario's research and development is not globally competitive. Our investment in research and development as a proportion of the GDP is 14% below the G7 average. The problem is that business is chronically underfunding research and development while the universities are investing much more than their fair share. The government is trying to solve this problem with funding and research policies that emphasize the commercialization of university research, and applied university research ignores that investments in basic research have economic benefits. Government priorities have to move away from an emphasis on the commercialization of applied research to a balanced approach toward research.

Clearly, Ontario's poor student-faculty ratios, growing class sizes, crumbling infrastructure and inequitable research funding show that Ontario has reason for concern. However, it is a mistake to assume these problems are irreversible. Greater investment in post-secondary education will give students the quality education they deserve.

The government has a long, honourable and intelligent history of investing in public education. To realize the current government's vision of higher education as a system equal to any in the world, the government will have to enhance its investment in post-secondary education substantially. The recent federal funding makes truly reaching higher in post-secondary education more attainable and lessens the need for the province to shoulder the burden alone. The increase in the Canada social transfer to Ontario for post-secondary education represents over \$400 million this budget year. OCUFA is concerned that the funds promised for post-secondary education under the Canada-Ontario agreement were never actually given to the higher education sector because of uncertainty about federal commitments. The new Canada social transfer arrangements should eliminate this uncertainty. Therefore, the Ontario government must use this funding to augment, rather than replace, previously committed provincial funding for post-secondary education.

OCUFA is calling on the government to make capital and operating investments in the 2008 budget that would help to protect and improve the quality of post-secondary education in Ontario. Hiring 5,500 new faculty at a cost of \$440 million would bring Ontario's student-faculty ratios in line with the national average and help to reduce class sizes. Improving infrastructure with \$260 million would begin to provide the needed classroom and lab space on university campuses and fix the facilities at Ontario universities that are in a state of poor repair.

Supporting vital basic research would ensure Ontario remains innovative and forward-thinking.

OCUFA supports the government's most recent initiatives, as stated in the throne speech, of building a strong economy, eliminating poverty, protecting the environment, and improving our health care system. All these areas are important in their own right. However, all ultimately depend on a quality university system to provide the people and the research that sustain work in these important areas. The 2008 budget provides the government with an opportunity to achieve real results and long-term solutions to improving the quality of higher education in Ontario. Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. John Yakabuski: Thank you very much. You used a figure of 22 to 1 as a ratio. That is the ratio in the rest of Canada?

Mr. Brian Brown: The rest of Canada is 18 to 1.

Mr. John Yakabuski: So what was the 22 to 1?

Mr. Brian Brown: We were trying to be a little bit—I'm sorry; I misquoted that.

Mr. John Yakabuski: That's what you're trying to get to.

Mr. Brian Brown: What we were looking for was 18 to 1. What I said was 22 to 1. The average in Canada is 26 to 27 to 1; sorry—in Ontario.

Mr. John Yakabuski: In Ontario, because we had some submitters earlier today who said 26 to 1 was the ratio.

Mr. Brian Brown: Yes, I'm sorry. I apologize.

Mr. John Yakabuski: I can certainly tell you, as a parent of a first-year university student, that access to faculty members is, to be polite, very limited and certainly something that you find a tremendous adjustment as you go from the high school environment to the university environment. Given that that's expected, but a little more starkly than perhaps they would have anticipated, I can certainly agree with you there.

Now, you talked about the monies that are expected to come from the federal government through the transfer payments. Is there a concern that this government would not ensure that every nickel that comes as a transfer from the federal government would be invested and committed to post-secondary in this budget?

Mr. Brian Brown: Well, we're hoping that it will be targeted for post-secondary education, but what we're looking for is also the commitment that the Reaching Higher plan in 2005 gave to the university sector and colleges that they would receive funding. We don't want to see the transfer payments become part of that already-committed money.

Mr. John Yakabuski: You also touched on the facilities and the need for investment in the facilities themselves in the province of Ontario.

Mr. Brian Brown: Correct.

Mr. John Yakabuski: I have to apologize for trying to follow this as well as you, because you wouldn't have time to do this whole presentation verbally. What kind of

a deficit do you see here in the province of Ontario with regard to needed investment in the university facilities from an infrastructure point of view?

Mr. Brian Brown: In terms of the Auditor General's report, he is stating \$1.6 billion is needed to fix that problem in Ontario's universities.

Mr. John Yakabuski: What would you like to see from the government on a year-to-year basis?

Mr. Brian Brown: We're asking for \$260 million per year—

Mr. John Yakabuski: This year.

Mr. Brian Brown: —to be put into that.

Mr. Tim Hudak: Is there time, Chair, for a quick question?

The Chair (Mr. Pat Hoy): Yes, there is.

Mr. Tim Hudak: I apologize; I missed this at the beginning. Thank you, gentlemen, for the presentation. You talk about the needed increase in funding, which amounts to almost \$1 billion a year when you add up the numbers that you've suggested. What's your stance on tuition decontrol? Are you satisfied with the current tuition arrangements? There's another source of potential revenue, and I just wondered if you had a position.

Mr. Henry Mandelbaum: We've been concerned for a number of years about the rapid increase in the cost of going to university. The government in recent years has made significant increases in student aid, and for that I think we can all be appreciative. Still, there are two aspects that cause a great problem. First of all, there's the whole impact of the sticker shock. There's not that much research in Canada, but there's some indication from American research that when students, especially from lower-income backgrounds, take a look at the cost of going to university, they don't take a look at it in terms of balancing the student aid that will be available to them and then future earnings. They just take a look at the immediate impact, the immediate cost of going to a university itself.

The other is that, especially as you go into some of the more specialized programs, there's an expectation that students will have significantly higher earnings and be able to make back the money, using law as an example. But the difficulty is twofold: One, I think there's some evidence that what it does, as it indicates, is it changes the nature of the students, the mix of students who will be going into those programs. At Western, when they looked at the medical school, they found that the average family income of students going into medical school increased as tuition increased. The other is that it assumes that people will have certain forms of practice. Coming back to law school, it assumes that if you go to U of T and pay \$22,000 a year in tuition, ultimately you'll go to Bay Street. But that isn't the only form of law practised. There are people who go into social development agencies; there are people who do community work. What you're doing is eliminating the ability of the people who choose those areas of endeavour to effectively pay back whatever loans they have to go through to go through law school.

The Chair (Mr. Pat Hoy): Thank you for your submission.

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CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair (Mr. Pat Hoy): I call on the Canadian Federation of Independent Business to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for our Hansard.

Ms. Judith Andrew: Thank you, Mr. Chair. I'm Judith Andrew, vice-president for Ontario with the Canadian Federation of Independent Business. With me is CFIB's Ontario director, Satinder Chera.

You have kits—I believe they've been distributed—and we will be speaking from the slide deck that's in the kit. It's entitled Moving Forward with Ontario's Small and Medium-sized Businesses. Just in a nutshell, the presentation overview refers to some items that are in the kit in more detail.

The first point that we will be making is that Ontario's small business sector, which is typically an optimistic group and the backbone of the economy, is finding its confidence is continuing to drop in the latest quarterly business barometer result that we have. The second point that we want to make is that our budget priorities for small and medium-sized business in the spring budget are to fulfill Premier McGuinty's commitment on taxes, which is there in your notes, as well as his commitment on regulations. You'll find the details of those commitments in our Ontario election party leader checklist.

On taxes, of course, I want to acknowledge the recent tax relief that was delivered in the economic statement. It was certainly heartening, in light of business confidence dropping, that the Ontario government moved quickly in December to enlarge the small business threshold for corporate income tax as well as to deliver some more capital tax relief—partly on a retroactive basis, and early—as well as the sector initiatives that touch manufacturing, film and agribusiness. We're certainly looking forward in this upcoming budget to seeing the Premier's commitment further enhanced, and his notation that the government will continue to work with the CFIB and small business people across Ontario to take the next steps to keep this vital sector vibrant.

Turning now to the next page: As always, our presentation is based on the views of CFIB members, the small and medium-sized enterprises that are so pervasive across the economy. Those views we gather in extensive surveys and studies amongst our members. Our diverse membership of 42,000 businesses in Ontario is actually a good reflection of the Ontario economy, so you do get the straight goods from small and medium-sized businesses.

The next slide shows the business barometer index for December 2007, and it's also in the large chart that's just behind us. Our quarterly business barometer reflects how

well owners expect their businesses to perform over the next 12 months, so this is an individual assessment by each business owner of how their business is going to do over the next 12 months. Regrettably, Ontario business owners are less optimistic than their national counterparts, now for eight consecutive quarters.

Still, their hiring intentions are holding up reasonably well, with 28% of businesses expecting to hire; but also, Ontario has the largest proportion of small business people—12%—who expect to shed jobs in their companies. So there are clearly some economic challenges facing us.

If you look at the next slide, we were able to break out the business barometer index by sector. This was from December, but this foreshadows a lot of what you're reading in the business press these days. Small and medium-sized firms tend to be like canaries in the coal mine, and when you see a fairly large drop in confidence in key business sectors, it's certainly something worth looking at. In the sense that small and medium-sized businesses tend to be quite resilient and are typically quite optimistic, we're hopeful that those good qualities and their stamina will help carry us through in the event that our economy may end up faltering as the US challenges dribble across the border.

Yet, if you look at the next slide, there's indication that our members' concerns with taxation and regulation burden continue to increase. Certainly, we know that key concerns of small and medium-sized businesses increase when the business fortunes aren't as strong and accelerating as they were before. The number one problem for small and medium-sized business in the province that has increased slightly is total tax burden, and government regulation and paper burden is the number two problem, which explains why, in a nutshell, those are the areas of our key recommendations. Satinder?

Mr. Satinder Chera: On page 4, speaking to the top slide first: There are obviously some factors that are not within the government's control, whether it's the Canadian dollar or the US economy, but there are other factors, policy levers, that the government certainly has a lot of control over. These are the results of our members' feelings on each of the different policy items that the government has implemented over the past few years. Certainly, this year, with the current economic conditions, we would hope that the government would strive toward creating a climate to help businesses.

The bottom slide, "Tax Relief Priorities": Again, as Judith mentioned, credit to the government for increasing the threshold in the December economic statement—good, positive news. There's obviously more that can be done. We take the example of Manitoba, which currently is on track to eliminate its small business corporate tax rate by 2010. As well, the property tax—again, credit to the government.

In last year's budget, there was the implementation of the business education tax cuts. If you go to the next slide, our members would certainly like to see the fast-tracking of that tax cut plan. Currently, it's going to be

seven years in the making; we would hope that the government would accelerate that. In your kits, on the right-hand side, there's an action campaign which we currently have going on in northern Ontario to ask for the acceleration of this tax relief—hundreds of these have come in from members. We would hope that this would be a key item in the government's upcoming budget.

The next slide, at the bottom of page 5: Again, when it comes to member concerns, obviously spending and deficit and debt are at the top of the list. We would ask the government to consider these numbers, given the fact that total expenses have outstripped both inflation and population growth over the last several years.

On page 6, at the top, "Budget Surplus Allocation": Again, our members would like to see increased emphasis on tax relief and on debt repayment.

At the bottom of page 6, the slide "Provincial Regulatory Burden": Again, when we've asked our members, they've indicated that the burden has gone up. There have been some positive steps taken, whether it's the corporate tax harmonization agreement with the federal government, as well as a small business agency and the 24% reduction, which are positive notes—and the Premier's commitment to get rid of every regulation for every new one that's implemented. We think there is a way that we can certainly help the government to carry forward on that particular commitment.

If you go to page 7, at the top, we want you to bear in mind the huge costs that regulations have on small businesses. Currently, we estimate that it's costing small businesses in Ontario about \$13 billion a year to comply with all three levels of government. That is a taxing toll on their ability to run their operations. Certainly, when it comes to Family Day there has been a lot said, but we would simply point out that it will be SME families that will bear the brunt of the cost of the Family Day, paying for other families to have a day off.

The bottom of page 7, again, going back to the Premier's commitment for one to one: We think that a good way to move that commitment along is to actually track the number of regulations that the government has on its books and then to systematically, in going forward, try to publish those numbers so that everyone knows where the government is at or if they're on track to meet their commitments.

Ms. Judith Andrew: The next slide, at the top of page 8, is entitled "Opportunity to Reduce the PST Burden." In fact, that item is second only to workers' compensation in imposing burdensome provincial regulations for small and medium-sized businesses. It's no wonder, because we have two tax systems with different bases and definitions and auditors and administrations, so it's certainly a challenge fraught with difficulty for small and medium-sized businesses to cope with that, not to mention the fact that tax gets buried into business inputs as well. We know some deputants before this committee have talked about harmonizing the two taxes. Certainly if there is any move to move along in that direction, CFIB, as always, would play a constructive role in terms of

canvassing our members and giving solid input from our sector.

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To conclude with our recommendations, which are on the bottom of page 8, our number one recommendation, as Satinder mentioned, is to accelerate the business education tax cut, the \$540-million seven-year plan. The relief could certainly be used, in northern Ontario especially. I draw your attention to a document in the back right-hand side of your kit entitled "Breakthrough! Business Education Property Tax Rates." The breakouts are by municipality, so you can see for your own ridings how that relief would play out, especially if it was delivered faster.

The second recommendation we have is to follow the lead of Manitoba, which seems to be breaking new ground in a couple of areas. One is that Manitoba has set out a plan to move its small business corporate income tax rate right down to zero, so it's a really aggressive tax plan for small business corporations. As well, they have increased their employer health tax exemption threshold up to \$1.25 million, as compared to Ontario's \$400,000, which was set a decade ago.

The third recommendation is to implement the Premier's one-for-one regulatory reform commitment. It was in the course of the election that he further elaborated on this idea that every new regulation should be compensated for by taking one away so that we don't have a net increase. We think a good way to do that would be to have all ministries regularly publish their total regulatory counts so we can keep track of this. One of the challenges is we don't know exactly how much the overload is, but we know it's pretty big.

Our fourth recommendation is to adopt a tax fairness/rights code or charter for businesses as both taxpayers and tax collectors for government. There are a number of areas where businesses are in effect trapped by arcane rules that just don't make sense. There needs to be some work done in this area.

The fifth recommendation is to improve some retail sales tax items, including vendor compensation, which actually hasn't been improved since Premier Peterson was in office, which was a long time ago. It would need to be updated for inflation. As well, the tax exemption threshold for small meals could use an update.

Finally, the last recommendation refers very briefly to the provincial-municipal fiscal and service delivery review, which is happening behind closed doors between the two levels of government. Normally, we would say taxpayers should hold onto their wallets when governments get together behind closed doors. We're taking the optimistic view that there will be a reasonable redefinition of who does what at the provincial and municipal levels and that if there are found savings at the municipal level, at least some of those should be directed to property tax relief for businesses which are severely overloaded.

That concludes our presentation. We'd be delighted to attempt to answer your questions. Thank you.

The Chair (Mr. Pat Hoy): Thank you, and this round of questioning goes to the NDP.

Mr. Michael Prue: Thank you very much for a very detailed submission. I've got a whole bunch of questions, so I'm going to try to be fast at the questions; hopefully, the answers won't be too long, and we can get them all in.

The first one is from page 4, the impact of government policies. It's not surprising to me that the cost of electricity appears to be the main negative impact on small business. The one that I think will surprise those who don't want to raise the minimum wage is the one that has the least impact: the minimum wage increase. How is this?

Ms. Judith Andrew: First, on the cost of electricity, one of the things we're working on is the inherent subsidy within the regulated rate plan that actually makes businesses subsidize residential electricity consumers within that plan. That's something we think should be addressed. Also, we're concerned about the rollout of time-of-use metering, particularly for businesses that don't have the flexibility to shift their electricity load to an off-peak period. You simply can't make pizzas at 2 a.m. and serve them at dinnertime. You're going to be stuck. We don't think that element has been looked at enough before we go ahead with that.

In terms of the minimum wage increase, it's actually quite logical. Most of our members pay much more than minimum wage. In fact, they would say it wouldn't affect them directly, but indirectly, of course, it does affect the wage structure across the economy, so you see some of that coming out here. Certainly our members in other survey results have also felt that this isn't the best way to help the working poor; there are other policy instruments, and this particular one is a fairly blunt instrument, if that's what the intention of it was.

Mr. Michael Prue: The next chart down on page 4 is also intriguing to me. The number one issue, not surprisingly, is corporate income tax for small business. But the number 8 or 9 or 10, at the bottom of it, is corporate income tax for manufacturing, so they see themselves in a very different light, small business to big business.

Ms. Judith Andrew: Yes, I suppose some of that might reflect how many manufacturers we have in our membership. We actually have about 5,000 manufacturers in our Ontario membership. It's about 12%, so you're getting maybe that group saying that there needs to be some relief in that area, particularly given the challenges that manufacturers have been facing, what with the energy costs and so forth.

Mr. Michael Prue: But overall, it is the smallest concern.

Ms. Judith Andrew: Yes it is, but I expect that's the proportion of our members that are in the manufacturing business, and the others are thinking more directly of the ones that affect them day to day.

Mr. Michael Prue: On page 7, of course we have the Family Day holiday. This is a very contentious issue to small business. It's also contentious to the millions of

Ontarians who are federally regulated or who won't get the day because of contractual agreements. How much is this going to cost small business in terms of dollars? Have you calculated that out?

Ms. Judith Andrew: Well, we've got a range. The loss of a day's provincial product is in the order of \$2 billion; others have said around \$500 million—so somewhere in there. It's a big number, which is why we were disappointed to see it implemented without consultation, and as you mentioned, there are a lot of issues that have arisen in terms of how it will apply. Our argument, and we're making a pitch right now to the Ontario government, is that there needs to be some compensating other relief because small business families will see their income reduced. It's not a business income; truly, it's the family income. So they will not be treated like other families in the province, and to our minds, that isn't fair. There needs to be some compensating other relief for that group.

Mr. Michael Prue: If I have time—I think I've got almost no time left, so I'm just going to skip right to the back, to: "Following the lead of Manitoba, set out a plan to move the small business corporate income tax rate to zero."

Any idea how much that would save small business if that was instituted in Ontario, and conversely, how much that would cost the government of Ontario in terms of tax revenue?

Ms. Judith Andrew: We don't have any number on that as yet, but we'll be trying to get those figures because that would be important to continue to make the case for that.

Mr. Michael Prue: Okay, because that's our neighbour, and we try to stay in step whenever possible.

Ms. Judith Andrew: Manitoba has a three-year phased approach, and they're expecting to hit zero by 2010. I expect that they've been looking at some of the examples from other parts of the world where pretty substantial corporate tax moves were made and really ended up revitalizing those countries. Ireland is a prime example of that, of course.

The Chair (Mr. Pat Hoy): Thank you, and if you provide any additional information, if you would give it to the clerk so that the whole committee can share in that.

Ms. Judith Andrew: Absolutely. I'd be happy to.

The Chair (Mr. Pat Hoy): Thank you.

CANADIAN UNION OF PUBLIC EMPLOYEES, ONTARIO

The Chair (Mr. Pat Hoy): Now I call on the Canadian Union of Public Employees, Ontario, to come forward, please.

Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Sid Ryan: Sure, thank you. I'm Sid Ryan, president of CUPE Ontario, and with me is Shelly Gordon, a

researcher, and Valerie Dugale is there somewhere—communications. Thank you for the opportunity to make a presentation here today. I just wanted to say that we focused our presentation today primarily on the government's strategy to reduce poverty in Ontario, and we've got what we believe to be some suggestions that the government might be interested in looking at. We believe that an effective anti-poverty strategy should include at least indicators for measuring poverty, measurable targets with timelines, plans by each and every ministry to offset poverty, and, of course, an evaluation and accountability mechanism at the end.

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Before we begin, we'd like to say that CUPE Ontario supports a demand put forward by the Network for Poverty Reduction of a 25% reduction in poverty over five years and a 50% reduction over a 10-year period.

What we'd like to do is break our presentation, if you will, into three major components. We'd like to take a look at user fees and activity fees for low-income people in the province, those living below the LICO level, I guess you could say. We're going to take a look at wage strategies that we believe lead to a low-wage economy and a low-wage sector with some of the policies that your government is working on. Also, we'd like to propose working with the public sector with some initiatives that we've already, as a union, undertaken with previous governments, or other governments, I should say, in places like Saskatchewan in order to be able to bring the aboriginal community in greater numbers into the public sector.

So we can take a look first off at the user fees for LICO people. We'd like to take a look at some small initiatives that we can take and some larger initiatives that would need to be worked on. For example, we're looking at the elimination of user fees for a family living in poverty, where we believe they can't afford even small recreation fees for their children. So we would like to take a look at the whole question of—maybe the Tories over there would like to listen in. Don't take this out of my time, please. Typical Tories: They never listen.

For those living in poverty, we'd like to take a look at transit fares, for example; user fees for children using libraries; user fees in the school system for activity programs; parking lot fees. For example, when somebody presents themselves at a hospital, it is practically impossible to get into any hospital today without having to pay a fairly substantial user fee in the parking lot. In the UK, for example, when low-income people present themselves to a hospital, there is actually a kiosk where they can go and be reimbursed immediately for the cost of user fees that would be imposed upon people using the hospital system.

We'd like to take a look at delisted medical services—eye exams and physiotherapy, for instance—such that, again, people living below the low-income cut-off would not be exempted from those programs.

There are issues that will require a much larger policy shift; for example, around daycare and after-school

programs for kids. Again, living in poverty must be free of charge. Taking a look at post-secondary tuition and education, you know, the country that I'm from, Ireland, brought in free university education about 12 years ago, part of the strategy, of course, which created the "Celtic tiger" and makes them now one of the richest nations in the world on a per capita basis. The basis of that, the genesis, if you will, was a free university education system. If you can't do it for everybody in the province, at least those who are coming from low-income families should have an opportunity to send their kids to university without having to pay the exorbitant fees that are imposed upon them to do so.

Smart meters: A few moments ago, I heard you talking about electricity costs. Smart meters and time-of-use electricity pricing will result in punishing increases in electricity bills for low-income renters who are stuck with the electrical heating systems installed by most landlords. Again, we think this is something that your government could do: take a look at exempting those folks from those kinds of policies.

We'd like in particular to take a look at what we believe is a low-wage strategy of this government. I say that because it's happening in a couple of ways: the introduction of the market, for example, into the health care system. The great example of that would be the home care system, where you've got this competitive bidding model, actually introduced by the Conservatives and carried on by your government, where you've got nurses, for example, who were PSWs earning between \$15 and \$20 per hour under the old system, with good wages and good benefits, and now find themselves practically working for \$8, \$9, \$10 or \$11 an hour in this competitive bidding, dog-eat-dog type of system. Your Minister Smitherman just put a hold on the competitive bidding model in the Hamilton area because the community is outraged at what has taken place. That's a low-wage strategy, lowering people to the lowest common denominator. We don't believe that's good for people who are living in poverty, so we'd like you to take a look at making sure that not only do we kill that system in the home care sector but that we don't expand it into institutional care in this province. We know that under LHINs, the local health integration networks, they are looking at exactly the same model of competitive bidding, where you take services out of a hospital, out of a long-term-care facility, and move them off into the community. Again, we know these are non-unionized jobs, low-paying jobs with no benefits.

We would argue, if you're really serious about poverty reduction, the best way of ensuring the greatest hedge against poverty is a unionized job. To that end, we would say, let's make it easier in this province to join a union, not more difficult. The Tories brought in a policy which worked against the interests of workers pooling their resources to enhance and increase their wages, their benefits and their pension plans by eliminating the card certification process. We would say to your government,

you did it for construction workers; you restored that process. We'd like you to do it for the rest of the labour movement. We argue that if it's good enough to join the Conservative party or the Liberal Party by signing a card, surely it's good enough to be able to join a union by also signing a card. That's the system that should be in place to enable workers to better their standards of living.

From a pay equity standpoint, we still have women on average earning 29% less than men in this province. Pay equity enforcement must be revitalized to deliver pay justice to the current generation of working women. We know that there's at least \$369 million that's owing to about 100,000 women delivering public services in predominantly female workplaces between the years 2006 and 2007. That's a lot of money that needs to be put back into the pockets of women working in low-paying jobs in this province.

So we would like you to end what we believe are low-wage government strategies. In terms of what we would propose, CUPE has a policy that we're trying to work on within our union: to say that everybody who is in the public sector, certainly everybody who is a member of CUPE, will be earning at least \$15 an hour, with a pension plan, within the next five years. We think that's a goal that the government needs to be taking a look at, to say that everybody who's in a transfer-payment agency or in a directly funded public service—whether it be health, education or municipal services—ought to be earning at least \$15 an hour, and they ought to have a pension plan. Again, that would be one of the greatest hedges you could have against poverty in this province.

The third item I want to talk about, very briefly: CUPE has engaged in a mentoring program with the Saskatchewan government and with the health care organizations in Saskatchewan, where we're trying to increase the participation of the aboriginal community in the public sector. It's designed to go out and provide a mentoring program. We will find people in the aboriginal community living in the cities and rural areas and actually bring them into our workplaces in a mentoring program, such that when a vacancy occurs, we will find more aboriginal people at the end of the process (1) being qualified, and (2) increasing the participation levels.

Several of our CUPE locals in the Toronto regions have worked with their employer—the city of Toronto being one of them—where they actually have a program for kids at risk. The suggestion here is that we move this program—we could do it in Ontario as well for aboriginals, but we could also do it for kids at risk. Several of our locals have worked with their employer to set aside spaces. The city of Toronto has 18 spots set aside over the next 12 months for kids at risk. The jobs are mentoring jobs; again, you bring them in, give them an opportunity to work at some of the trades and occupations within the public sector. You pay them \$12 an hour, which is a fair bit more than the \$8-an-hour minimum wage or whatever it is, \$8.95; and we have them set up, basically, for a full-time, good-paying job when vacancies occur in the public sector.

I've had some discussions with Ontario Hydro. They're interested in this kind of a program. Some of our folks have spoken to the Ontario Hospital Association and they're interested in this. We have a similar program with the public school boards in Toronto. We could take this into basically every public community across Ontario, every public sector, every employer across Ontario, and in the process we could end up hiring thousands of kids at risk into good-paying, public sector jobs, which also, of course, takes them out of trouble, right?

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The Chair (Mr. Pat Hoy): You have less than a minute left.

Mr. Sid Ryan: Okay. I just wanted to talk about investing in public housing. I'm not talking here about P3s. We're actually talking about co-op housing. Our pension plans are worth billions of dollars in this province and in this country. We would love to be able to work with and have had some discussions with the pension plans, where we can set aside a sum of money that could be used for investment in co-op type housing. Yes, the return is not great, but the investment in our communities and social infrastructure is enormous. We could actually help to eliminate the shortage of affordable housing in this province by utilizing those initiatives, working with trade unions, working with our pension plans and working with government to be able to finally put behind us the crisis we've got in affordable social housing in Ontario.

I apologize for taking so long. I meant to leave you some time for questions. There are some options that we've put before you here today.

The Chair (Mr. Pat Hoy): This round of questioning goes to the government.

Mr. Wayne Arthurs: Sid, welcome; it's good to see you, whether it's here in your capacity as the president or with a different hat on at different points in time. I need a big shopping cart, because in the 10 minutes you had, you really did fill it up with identifying lots of opportunities and lots of needs, as you see them.

I just need to reflect very quickly on some of the things we've been trying to do, particularly on the poverty front, I think in a more generalized way, and the specifics now that Deb Matthews is taking on that particular role. I'm sure that you and others are going to want to influence that process to the greatest extent possible. We have made some gains on the minimum wage front which, hopefully, with the additional changes to \$10.25 over the three years, will help to lift the working poor at least to a point where they're going to have a sustainable living capacity. Some additional regulated daycare spaces—the Ontario child benefit, which is going to benefit some 1.3 million kids, both those who find themselves in families on social assistance and those who are on the lower end of the wage scale.

So we've started down that road, in addition to what was in the campaign. Dental care, I think, is about \$45 million—I'm not 100% sure, off the top of my head; it's

in that range—for low-income families and some support in that way.

The one thing I agree on almost wholeheartedly—I'm almost afraid to say it—is that I need a second mortgage every time I go to the hospitals and park my car. It's almost as much as going to the financial district, or coming close.

Tell me, in the couple of minutes that you have left, a little more, if you would, about the generalized proposals for pension plan contribution—whether it be OMERS, if that's one of the ones you're thinking of, given a large number of your membership; I don't know, percentage-wise. I assume you're in the municipal sector and contribute to the OMERS plan—to participate in housing strategies through putting money into that system.

Then, you've mentioned co-op as one of the formats, or maybe it's a specific one that you're thinking of. A little more on that specific would be helpful.

Mr. Sid Ryan: Thanks, Wayne. I do appreciate the fact that your government is working on a strategy around poverty, but I do think there are lots of things that we suggested here today that we could be doing almost immediately, without having to wait for legislative changes and so on.

With respect to the pension plans, I've had some discussions with the CEO of OMERS. Not to put any words in his mouth—because he didn't make any commitments—I floated the possibility of utilizing sums of money from pension plans which could be used to leverage monies. It would not be beyond the realms of possibility where big pension plans with \$48 billion or \$50 billion worth of assets can easily find a couple of hundred million dollars; so if you've got four or five pension plans doing that, you could easily leverage several billion dollars to put a huge hole in the social housing problems that we've got in this city and across this province.

We would not want, obviously, to go into a P3 initiative, because we don't think these P3s actually work; we find them to be a rip-off of the taxpayers. But if you were to get in and say that a certain amount of the portfolio would be dedicated—I guess that you'd get relatively small returns on it, but stable returns over a 20 or 30-year period; but there would be a social element of investing pension plan monies into social housing. We've done it in the past. It's not as if it would be the first time we've done it. Ten or 15 years ago, I know CUPE participated in many, many developments around the city where we would co-sponsor co-op housing. There are lots of examples in the city of Toronto where this has actually happened. We stopped doing this 10, 15 years ago when the federal government got out of the business. Then Mike Harris jumped on that bandwagon and said, "If it's good enough for the Liberals at the federal level, then it's good enough for Ontario." Consequently, we've not built any since.

So the pension plans, I think, are an opportunity for us in each of the unions, whether it be the schoolteachers or

ourselves or others. We obviously have some degree of influence with our pension plans. I think it's a wonderful opportunity if we could work with government in approaching these pension plans to say, "Okay, let's put something forward that's concrete and once and for all wrestle this shortage of affordable housing to the ground in this province."

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO HOSPITAL ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call for the Ontario Hospital Association to come forward. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to simply identify yourself for the purposes of our recording Hansard.

Mr. Mark Rochon: Good afternoon. My name is Mark Rochon and I am the chair of the board of directors of the Ontario Hospital Association. I am also the president and chief executive officer of the Toronto Rehabilitation Institute. With me today is the OHA's new president and CEO, Tom Closson. Tom joined the OHA on January 14 and brings a wealth of experience and expertise to his new responsibilities.

This is the first time that the OHA has appeared before this committee without the Ministry of Health and Long-Term Care being the direct funder of Ontario's hospitals. Based on the budget provided to them by the Ontario government, local health integration networks now allocate financial resources to health care providers. This change is welcome, but to succeed in this new environment, strong leadership and strategic investment from the Ontario government must continue, to ensure that Ontario's health care system is better able to meet growing patient care needs.

Hospitals are well aware of the responsibility that comes with managing the resources entrusted to them by the people of Ontario. Within our sector, this responsibility has established a continued focus on efficiency. Hospitals in Ontario are constantly comparing their actual costs to benchmark efficiency levels in an effort to be as efficient as possible in serving patients. This relentless focus on efficiency is one reason why, as reported by the Canadian Institute for Health Information, Ontario hospitals can offer such comprehensive, high-quality services despite being funded less per capita than hospitals in almost every other province in Canada.

Despite the very significant resources invested in Ontario hospitals, it would take an additional \$1.2 billion in annual operating funding to move Ontario's hospitals to the per capita national expenditure level. In the time ahead, hospitals will continue to concentrate on being more efficient and doing even better with the scarce resources entrusted to them. However, given current funding levels, many hospitals will continue to face major challenges in trying to meet the needs of a growing population and an increasing complexity of patient care.

Mr. Tom Closson: Over the past several years, access to some services in hospitals has improved. Thanks to the joint efforts of hospitals, doctors and government, significant progress is being made on Ontario's wait times strategy, but as many patients are all too aware, there is much more still to do. Today, the single greatest risk to access lies in the huge number of patients waiting in hospitals for care in another part of the health care system. Identified as needing an alternative level of care, these patients have typically finished receiving the care they needed in a hospital, but now, they are waiting to be transferred to another setting, like a nursing home, rehabilitation, home care or assisted living, where they can receive care that is actually more appropriate to their needs.

Over the past 18 months, the situation has grown increasingly serious. The reason for this problem is clear: There is neither an adequate number nor appropriate mix of service capacity in other parts of Ontario's health care system.

Ontario's acute, rehabilitation and complex continuing care hospitals are working intensely to deal with this situation, both internally and with their local health system partners, but despite these efforts, in December of last year, 2,800, or 18%, of all acute care beds were occupied by alternative-level-of-care patients. In hospital after hospital, this situation is creating serious bottlenecks.

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With so many people waiting, patients who actually need to be admitted through the emergency department have to wait overnight or longer, sometimes for days at a time. Our most recent information suggests that approximately 680 patients at any given time are waiting in the emergency department in an Ontario hospital for a bed to become available on an in-patient unit. The bottom line is that significant numbers of patients are not getting the care they need in the appropriate setting, and scarce hospital resources are being directed toward caring for people who actually need their care in another, more cost-effective setting.

Given these increasing pressures, the Ontario Hospital Association is very supportive of the government's aging-at-home strategy. This four-year, \$700-million investment in community services has great potential to ease the pressure on hospitals by expanding capacity in other parts of the system. It will be important to measure the impact of this investment and ensure that it achieves the objectives over the longer term. However, in the short term, the Ontario Hospital Association believes that immediate solutions, such as expanding the number of assisted living spaces and increasing hours of home support, are needed quickly.

We intend to work with the Ministry of Health and Long-Term Care and the local health integration networks to implement these short-term capacity solutions, so that the system is better able to meet the needs of alternative-level-of-care patients. Into the future, as our population grows and ages, we must ensure that each LHIN has the right mix and volume of service capacities

available, so that patients get the care they need, when they need it, in the most appropriate setting.

As you may know, each hospital is now engaged in negotiations with their local health integration network to establish a hospital service accountability agreement for 2008-09 and 2009-10. This is an opportunity to further strengthen accountability at the local community level, but in approaching these negotiations, many hospitals also face serious budget challenges. The multi-year funding allocations provided to hospitals for this time frame do not keep up with the cost of providing patient care. Pressure is especially intense in areas of the province experiencing high population growth. The large number of alternative-level-of-care patients is also a significant factor. This means that during negotiations, some hospitals will have to consider service reductions in order to achieve a balanced budget.

Needless to say, with current capacity challenges, service reductions and the layoff of health care staff are the very last steps that any hospital wishes to take. Over the next several months, it will be very important to ensure that for hospitals facing budgetary challenges, decisions regarding future access to service are made very carefully, with a focus on the health needs of the local community.

The Ontario Hospital Association believes that patients have the right to expect safe care and the right to know how effectively their hospitals deliver it. That's why in the past we have called for the creation of an independent patient safety institute and welcomed the public release of hospital standardized mortality ratios, as well as other public reporting requirements.

It should be recognized that improving and reporting on patient safety is a resource-intensive undertaking. In an era of scarce resources, we believe that new mandatory patient safety initiatives should go hand in hand with additional investments earmarked to support their implementation. Hospitals can and are doing much to improve patient safety with the resources they have, and with additional investment and supports, they can do even better.

Mr. Mark Rochon: During the last general election campaign, the OHA was very pleased to see the government make e-health a central part of the health care agenda. We believe that it is essential for the government to move ahead immediately in implementing its e-health commitments, as Ontario is behind most provinces in this area. This means we aren't taking full advantage of the quality and efficiency improvements that IT can provide; e-health is central to responding to the alternative-level-of-care challenge. With the support of information technology, the health system will be better able to move patients more quickly, along with their full health record, into home care or the care of their family physician.

The OHA has just released an important policy document entitled *Incentives for Transformation: e-Health as a Strategic System Priority*. This paper recommends seven specific policy solutions that are intended to dramatically advance health system transformation. A

copy is included as a DVD in your information package, and we strongly recommend its consideration by this committee and the government.

Ontario's hospitals know that over the next several years, the emphasis on health system integration will only accelerate. We support this reform and know that hospitals cannot operate as islands. By working together, we can improve access to health care services for the people of Ontario. As we noted at the beginning, by continuing to play a leadership role and by making strategic investments, the government of Ontario can help ensure the success of this health system transformation.

Thank you for the opportunity to be here today. We are delighted to answer any questions you may have.

The Chair (Mr. Pat Hoy): Thank you. The questioning goes to the official opposition.

Mr. Toby Barrett: Thank you for presenting on behalf of the Ontario Hospital Association. I know you commenced your presentation talking about your effort to be as efficient as possible in serving patients and how important this is, and I quote, "despite being funded less per capita than hospitals in almost every other province in Canada."

Last Monday, our committee had a presentation from an economist, Hugh Mackenzie, who indicated that this government is not strapped for cash. Its fiscal capacity is greater than it is prepared to admit. In fact, he went on to say that taking reserves and operating contingency funds out of the projection for 2007-08 points to a surplus for the year of more than \$1.3 billion. That was based on the government's own projections.

What projections does the hospital sector have? I'm assuming there's a need for increased funding from government in the coming year. You mentioned there's a different financial arrangement now.

Mr. Tom Closson: The increase for hospitals for this year, or the base adjustment, is 2.4%, and for next year it's 2.1%; we have multi-year funding now, so we have certainty around what our base adjustments are going to be. Those numbers are rather low compared to the inflationary pressure on hospitals and the historical situation. As was mentioned, we have underlying issues which relate to the funding level in relation to other provinces on a per capita basis. So we know we are quite efficient: We don't admit as many people, we do a lot on a day surgery basis, we don't keep people in the hospital as long as in other provinces, and we tend to staff at levels that are more efficient to be able to try and live within the dollars we have.

In terms of where we would put the additional money if we had it, we would certainly put it into electronic health records, we would put it into patient safety, we would put money into dealing with growth, because, as you know, there is real growth in populations in certain parts of the province, and also in dealing with the complexity of patient care. The kind of people we care for in our hospitals are, on average, more complex than in other provinces. The reason for that is that we don't

admit as many people per capita and we keep them in for shorter lengths of time, so, by definition, the ones who are in there are quite ill and need a lot of attention.

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: Gentlemen, thanks for the presentation. I just wanted to explore a little bit the alternative-level-of-care issue that you brought up and the severity of the situation. You say that over the past 18 months, the situation has grown increasingly serious. Your measurement in December 2007 said 2,800, or 18%, of all acute care beds are occupied by alternative-level-of-care patients. My understanding is that there is a significant range, too, beyond the 18% average. Areas like mine, Hamilton-Niagara, and northern Ontario, I think, have a much worse situation. Would you care to elaborate on that?

Mr. Tom Closson: Yes, the numbers vary a lot by local health integration network, to as high as 28% in some parts of the province. It is more of a pressure in some areas than it is in others.

Mr. Tim Hudak: Now, it's been 18 months gathering in significance, so you would have signalled that this was an emerging crisis in the hospital system. Are we seeing the level of, for example, long-term-care or rehab beds being built that would alleviate this in the next few years?

Mr. Tom Closson: Alternative-level-of-care issues exist throughout the health care systems in all the provinces in this country and have existed in Ontario for quite a period of time. What we've been noticing over the last couple of years is an increase. If you think about it as a queue, lining up for something, we've got patients coming in faster than they're going out, so it's not surprising that it's building up and up.

In most parts of the province, the issue is long-term care. In Toronto, rehabilitation is a big issue, but in most parts of the province, it's long-term care. This is why we've said that the aging-at-home strategy, the \$700 million over four years, is welcome. The challenge is that it's going to take a while for that to unfold, so what we really need to do in the next little while—immediately—is come up with some short-term strategies to be able to move these patients out of the hospitals. This is not good for these patients. They're not receiving acute care, and yet they are sitting in hospitals. They need to be in other settings like assisted living or like at home, receiving home care, in a rehab hospital or in a nursing home.

Mr. Tim Hudak: We've seen a lot of—

The Chair (Mr. Pat Hoy): We're out of time.

Mr. Tim Hudak: Okay. Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

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COUNCIL OF ONTARIO CONSTRUCTION ASSOCIATIONS

The Chair (Mr. Pat Hoy): Now I call on the Council of Ontario Construction Associations to come forward, please. Good afternoon.

Mr. David Frame: Good afternoon.

The Chair (Mr. Pat Hoy): You have 10 minutes for your presentation. There could be five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. David Frame: I'm David Frame, president of the council. With me is David Zurawel, our vice-president for policy and government relations. We've got a short verbal presentation and then hopefully we can take some Q and A.

COCA represents the non-residential construction industry and our members play a huge role in Ontario's economy. Construction is the third-largest sector in the province, with more than 423,000 workers, and collectively we represent more than 5% of Ontario's gross national product. Our industry also provides more than one third of the revenue for the Workplace Safety and Insurance Board, WSIB, paying more than \$731 million in annual premiums.

As I said, our industry is very important to Ontario, and Ontario is very important to our industry. Our 11,800 members applaud the government's leadership in recognizing the value of investment in infrastructure. We're delighted about the creation of the Ministry of Public Infrastructure Renewal under the Honourable David Caplan, and we are even more pleased that there is now a plan and projected funding for sustained infrastructure renewal and development. A healthy construction industry supports a healthy provincial economy.

With dark days looming for the economy of the United States and possibly concurrent problems in Canada, it's important for the Ontario government to maintain its commitment to capital spending. As was clear during the recession in the 1990s, counter-cyclical investment in infrastructure is a very important tool in stabilizing the provincial economy.

COCA encourages the government to recommit to its \$30-billion infrastructure investment outlined in the budget of 2005. One of the ways to increase investment would be to mandate full cost recovery for water plants across the province, with a requirement for municipalities to dedicate the funds thus collected to the repair, renewal and creation of water and waste water resources.

In recent years, however, we have seen shortages of workers in various trades, in various locations and for varying lengths of time. A number of agencies, however, are predicting a more widespread shortage of skilled workers in Ontario in the very near future. To give you an accurate perspective of the pressure this shortfall will place on the construction industry, 50,000 workers will be needed to replace the vanguard of retirees from the baby boomer generation, and an additional 35,000 skilled trades people will be needed to meet construction demand just by 2015. That's 85,000 persons in total.

COCA members are very pleased with the creation of Employment Ontario to provide improved referral services, multilingual apprenticeship information, expanded hotline capacities and a user-friendly Web service. However, we as a province must do more.

Demographic reports demonstrate that from post-2015 our pool of accessible talent will become much smaller and industries such as construction will have a much more difficult time recruiting the skilled people we need. At the same time, a significant pool of workers who could benefit from retraining in construction has been created by the unfortunate job losses in manufacturing over the past few years. We believe there is a real opportunity for the Ontario government to consult with construction employers, owners, workers, design professionals, educators and economists in an effort to proactively address this looming skilled shortage.

COCA is a committed and active member of Ontario's Workforce Shortage Coalition, due to appear before you later this afternoon. This 20-member-strong coalition of industry associations representing a broad cross-section of Ontario's economy is committed to working with the government to develop and implement innovative and effective solutions to meet head-on this significant challenge and to protect Ontario's economic prosperity and vitality. COCA supports Ontario's Workforce Shortage Coalition in its call for the establishment of a Premier's skills council to focus the government's and industry's efforts to address this looming crisis.

There's an infrastructure deficit of approximately \$18 billion relative to the sewer and water main services across the province. A great many municipal services are very old and inefficient; they are susceptible to leakage and, as identified by the Walkerton report, other health hazards. In fact, water system leakage rates of 20% are not uncommon; some may go as high as 40% in some parts of the province. The value of this leakage is at a cost estimated at \$160 million to municipalities annually—a significant amount by any measure.

Ontario must take additional proactive steps to stop the spread of this infrastructure decline and to preserve and protect this valuable commodity. These goals can only be achieved by ensuring that our water systems are on a sound financial footing. It is our recommendation to the committee that the province require municipalities implement full-cost pricing and create directed reserves from their water revenues. Once a system of sustainable funding is in place, then the backlog of repairs and replacements can be addressed. We recognize that many municipalities do not have the resources to make required improvements. In these instances, we support the government's support through programs such as the Ontario Small Waterworks Assistance Program for smaller municipalities.

We fully support the proposal by the Ontario Sewer and Watermain Construction Association to complete the regulations for the Sustainable Water and Sewer Systems Act, 2002, and implement full-cost pricing.

We realize that the Workplace Safety and Insurance Board—WSIB—is not funded by the government of Ontario and may not seem to be relevant to this committee. Some of the problems encountered by construction companies at WSIB, however, have financial

ramifications for government, the consuming public, workers' health and safety, and law-abiding contractors.

As said before, construction is different from any other sector of the economy, and this fact is glaringly obvious at WSIB. First, it is very difficult to determine who is actually working in construction; it of course changes all the time with the nature of the projects. It's also difficult to ascertain an accurate number of workers for whom WSIB premiums should be remitted. Second, all workers injured on a construction site are entitled to full benefits at WSIB, whether premiums have been paid on their behalf or not.

The result of these facts is that there are WSIB premiums being paid on behalf of only approximately 61% of the 423,000 people who work in construction, according to Statistics Canada. Every year it is found that numerous lost-time incidents occur in unregistered companies at unknown addresses. Finally, the problems posed by unregistered contractors are obvious in the bidding process that is central to the way the industry operates. WSIB rates for construction are higher than those in most other industries. It is obvious, therefore, that companies not paying WSIB premiums have an immediate and perhaps significant advantage: Competitors who do not pay into WSIB do not include it in their bids.

Apart from the liability problems for purchasers, contractors who pay into WSIB may end up paying all costs for an injured worker if his employer cannot be found. The unregistered contractor could therefore realize a double benefit at the expense of his neighbour. In the long run, legitimate contractors will not continue to pay for non-compliant competition.

We are recommending to this committee that you encourage the introduction of legislation to require the payment of WSIB premiums for all workers regularly exposed to hazard on a construction site. Action on this front would help regularize the financial aspects of the construction industry for government, the public, workers and contractors. We made this recommendation to the previous Minister of Labour, the Honourable Steve Peters, and the proposal has strong support from our industry.

Finally, we believe that a further change in the operation of WSIB would greatly assist government and the industry. As distinct from the insurance industry, WSIB does not base its coverage on individuals but on bulk payroll as declared by the registering company. It would take too much time here to talk about all the problems that arise from this, but basing coverage on named individuals would help government, the WSIB, workers, educators and many others. We therefore recommend the introduction of legislation to allow WSIB to base its coverage on named workers instead of bulk payroll.

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We'd welcome questions and dialogue. I thank you for affording us the opportunity to meet with you this

afternoon. Please contact us any time for more information about the construction industry in Ontario.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the NDP.

Mr. Michael Prue: I'm going to ask you questions, in part, on your role with COCA, because it will not be my opportunity to ask them questions later. That will fall to the Conservatives.

In terms of the need for construction workers in the future in Ontario, is it still the case that the majority of these workers are coming from other lands? A lot of them used to come here from Portugal and some other places and work in construction. Is that still the case?

Mr. David Frame: I don't have statistics with me. Europe is a large source of workers, absolutely; the first, of course, is Canada itself. Traditionally, many workers have come from the east coast. Some, with the boom in Alberta and BC, are now bypassing Ontario and going straight out west. I don't have specific numbers; we could get them for you, though.

Mr. Michael Prue: The reason I ask that is, the federal government has a grid by which they choose new immigrants, and it's difficult for a construction worker or someone with the skills as a bricklayer or a carpenter to make the number of points. Would you advocate that the province of Ontario do what Quebec does and have its own grid so we could choose people who would be beneficial to our economy, as opposed to those chosen for us by Canada?

Mr. David Frame: We haven't gotten into that. Immigration is generally recognized as a federal area. I believe the province of Quebec has different powers than Ontario.

Mr. Michael Prue: No, they're the exact same.

Mr. David Frame: We'd certainly welcome it. Our federal counterpart, the Canadian Construction Association, is strongly recommending that the federal government make that move.

Mr. Michael Prue: I suggest you look at section 93 of the British North America Act to see where Quebec got its authority and where Ontario has it too, because I think that's really what needs to be done.

The second question has to do with WSIB premiums for all workers. This is quite disconcerting, and I've known this for a while: that workers are not covered. You state that you raised this issue with the previous Minister of Labour, the Honourable Steve Peters, but it doesn't say what happened to it. It didn't happen; was it ignored, was it put off, did the election intervene? What happened, that nothing resulted?

Mr. David Frame: About 18 months ago, Mr. Peters did a fairly full consultation with the construction industry. We met with him, and his basic conclusion was that he didn't find consensus in the industry to move forward. It's our view that it's not a consensus issue. There's obviously a significant part of the industry that benefits from not having to pay into the system, so you're not going to get consensus on this issue. It's a leadership issue, but it's an important issue. It affects health and

safety; it affects the competitiveness of the industry; it affects the costs. It's a big issue for many of us.

Mr. Michael Prue: Have you raised this issue with the new minister?

Mr. David Frame: We have.

Mr. Michael Prue: What has been his response?

Mr. David Frame: I understand that he's looking into it.

Mr. Michael Prue: Again? Okay.

It seems to me to make eminent sense that all contractors pay to insure all workers. Are workers insured more in union member businesses than those where they're not union members?

Mr. David Frame: The major problem is with independent operators; it's not so much union or non-union. Independent operators are optional coverage. Overwhelmingly, independent operators opt out of the system; often, business arrangements are put forward that encourage them to opt out of the system. From what we can see, that's the biggest area right there.

Mr. Michael Prue: So if we can get them to pay, everything will work better.

Mr. David Frame: Require a payment for independent operators and put a mechanism in place to collect it properly.

Mr. Michael Prue: That's what the government needs to do.

Mr. David Frame: Yes.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO COALITION FOR SOCIAL JUSTICE

The Chair (Mr. Pat Hoy): Now I call on the Ontario Coalition for Social Justice.

Good afternoon. You have 10 minutes available for your presentation. There could be five minutes of questioning. I would just ask you to identify yourself for our Hansard recording.

Mr. John Argue: Certainly. Thank you, Mr. Chair. My name is John Argue. I'm the coordinator for the Ontario Coalition for Social Justice. The Ontario Coalition for Social Justice has often come before this committee—annually, in fact—and sees poverty as a crucial issue to achieve social justice in Ontario. Therefore, that'll be the focus of my presentation and, in terms of this budget, to express our pleasure of the government's identification of the committee to look at poverty reduction this year. I want to thank you for hearing our submission.

Just to tell you in one sentence, the Ontario Coalition for Social Justice consists of approximately 200 groups—we don't have an exact number—throughout Ontario in about 55 different communities, from Kenora to Cornwall and North Bay to Windsor. It's intriguing for me, as the coordinator, to travel around and speak to people, just as I'm sure it is for you as politicians to speak to people in your home constituencies and realize that there are

certain issues like poverty which really do affect people seriously and motivate them strongly to urge reform.

In this particular brief, I have a number of recommendations. I know I've spoken to you in the past, and the response has been, "Look, John, identify one. What can we do?" You know what? I've gone back to listing a whole number of things because of my optimism that the government this year is dealing with poverty and maybe will answer more broadly. I'm not so naive to believe that will happen in one year, but my motivation in identifying so many things is to say that there are myriad problems, in fact, in all sorts of areas.

In general, I would hope that the poverty reduction strategy—and it's relevant for this committee—would deal with an inter-ministry perspective, a broad, comprehensive perspective from the point of view of the government, and not just deal with social assistance raises, for example, however important that is, or minimum wage raises or particular things in the department of health or education. It's got to be everything, and it's got to be looking at poverty in the broad sense, in which all sorts of ministries affect people in individual programs.

I guess we'd say two things. I start off the brief by saying that we are really concerned with the growing numbers of poor people. The state of the economy, as you know too, is just really difficult. Heck, we're dealing with manufacturing job loss in all sorts of places, and mills stopping production, too, in the north. So wherever you are in the province, there are significant and good jobs that are being lost. Therefore, people have been previously paid union wages and good wages in manufacturing jobs or in mills that have allowed them to deal with life and bring up their families in such a way as to bring broad options—all of a sudden, the middle class is facing the prospect, actually, of entering the ranks of the poor. So it's a really serious problem. We're glad the government is dealing with it, but we just emphasize that it's really vital to do something really soon.

A related problem is the huge gap between the rich and the poor. Somebody earlier—I guess it was Mr. Barrett—referred to Hugh Mackenzie, and I quote him too. Hugh wrote a paper recently for the Canadian Centre for Policy Alternatives and suggests that there's likely to be a surplus this year—how much, who knows? But the fact is, there is a prospect of further money, and more money is needed to deal with this huge problem. He identifies this as well in a Statistics Canada report; there's more than one that talk about this growing gap. It's a huge problem. I just want to emphasize that.

The next thing is to identify the fact that there are really vulnerable groups. There are clear groups who face poverty to a greater degree. Obviously, people on social assistance at the lowest end of the income stream face gargantuan problems. It's just unbelievable that people on disability still can't live, say, at the poverty line. Unfortunately, the funding is just not there. They're living below poverty, and they face greater problems with all sorts of things—getting around, literally, if they

have mobility problems. I can't imagine being blind, but I work with a fellow on our steering committee who is blind, and he deals with problems every day in terms of just ordinary living. Money helps, just to take a taxi when necessary to get around and deal with needs. I could go on, but there are all sorts of problems.

Equal pay, my Lord: The equal pay act, I think, was adopted in 1988, and the gap between men's and women's pay generally is still huge. We are in a democracy here that believes in human rights. Men and women are supposed to be equal, but women know more than I how I have an advantage just because of my gender. That's just not appropriate for Ontario. It's not the Ontario that I think of or hope for, so I would hope the government would pay attention to equal pay, too. It's the 20th anniversary, I guess. The Equal Pay Coalition will be speaking to you and already has, I'm sure, urging that the government take action to finally make women equal in terms of pay for similar work as men.

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Racialized communities: There are all sorts of obvious groups that face difficult problems for no reason other than being a different colour—nothing to do with their skill at work, nothing to do with the job that they do. But because they're a different colour, they face discrimination, even from getting jobs to begin with, or when working, statistically they're shown to have lower rates of pay. They face gargantuan problems.

Aboriginal communities: Need I say more? It's an embarrassment nationally and provincially that the First Nations of this country and province still deal with incredible problems.

The poverty reduction strategy is something that I really hope will bring out all sorts of ideas. The one thing relevant to this committee, I think, that I'd suggest, because I trust the work this year will be extensive and all sorts of good ideas will come through the consultation—I hope that this committee ensures that the cabinet committee dealing with poverty has sufficient money to consult people throughout the province. It's just vital to consult a diverse range of people. I see nodding heads, so I'm pleased. I hope there's money there. I'm excited, actually, in just hearing good ideas from all around the province about how to deal with this.

I'd just finish off by saying there are clear things to do in this budget. During the election, there were three things identified: a dental plan for low-income persons, a full-day junior and senior kindergarten program and a new affordable housing strategy. I would hope that those would be proceeded with and therefore funded in this budget.

The last thing I'd suggest is a delicate political issue, I guess. We are pleased on one hand that the government has announced in the previous budget, for example, that there would be a raise in the minimum wage over three years, and that the Ontario child benefit is instituted. That's a great initiative. It's a good introduction, but unfortunately for us, for people concerned with families in poverty, it's spread over a few years before coming

into full implementation. So of course we hear, as I'm sure you do, from people who need the money now. To say the obvious, people in poverty are still going to be in poverty at the end of this consultation, and so we urge you strongly, if possible, to use some of the money that Hugh Mackenzie identified, or maybe elsewhere, to help people this year, in this budget: to raise the minimum wage, to provide more money for child care, to certainly raise social assistance rates.

Best of luck with dealing with all of these recommendations. I say that sincerely, and I do hope that this budget does reflect some real concern, with the government's exciting initiative on poverty. I find it exciting just because it's our main concern, and it's so pleasing to see the government of the biggest province in the country deal with this.

My pleasure; thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government.

Mr. Wayne Arthurs: John, thank you for the presentation. I'm not going to do what you started off by saying is often the case: "Pick your top two or your top three"; I'm not going to do that.

Mr. John Argue: I think it was you who asked that before.

Mr. Wayne Arthurs: It may very well have been. I'm not going to do that at all; it's not fair. When Sid Ryan, the president of CUPE, was here just a little while ago, I mentioned then that he had a shopping basket and it was really quite full, and he probably could have spent more time filling it up with activity.

You've acknowledged some of the work that has been ongoing, though one might say it's part of a poverty agenda that was in the works already before the formalization of the work that's been going on with this Ontario child benefit or others—an acknowledgement that we have to do more and we have to do better at what we're doing and have been doing. It really encourages me, your comments and others.

I think what we heard out there over the past number of months is that it's easy when you go into communities to get people to respond to the issue of poverty by saying, "Oh yeah, isn't that terrible? I really have a concern." I know what we've seen happening, with credit to all of those in the broader community and in the political engagement—we really have managed to collaboratively and collectively garner the public's attention and say, "This is not only a serious matter, it's a serious matter that we want to see attention paid to," as opposed to saying, "It's a serious matter—and what's for dinner?" I think we have a different outlook as a broad community now than we may have had some time ago.

Look, rather than my asking you—because you've covered a lot of stuff. You mentioned the Ontario child benefit and the minimum wage, and you acknowledged the fact—at least, I'll say that you acknowledged—that we do phase things in. I believe governments have to do that to ensure that they can meet their financial obligations etc. That's just the reality for us.

In the couple of minutes that I've left you, if it's that much, could you just tell me a little more about the Ontario Coalition for Social Justice? You mentioned a number of municipalities and social organizations, but it's always helpful to kind of plug in some realities for us. Who are some of those municipalities and what are some of those organizations, whether they're community organizations or faith groups, just to get a context of that spectrum of representation?

Mr. John Argue: I hope in another year, actually, the next time I appear before the committee, that I have a list of the groups that are part of it. I've been coordinator for a couple of years now and we're going through a strange period. I won't even say what the resources were when I arrived.

The coalition, I understand—because the records aren't perfect—started around 20 years ago. It started in opposition to free trade, actually, so it's union funded, and I include teachers when I say that. So we have money from CUPE, from Sid Ryan's union, from the OSSTF, the elementary teachers, and OECTA, the Ontario English Catholic teachers. Those are the biggest groups that are part of it. But then there are social justice groups or groups like—well, we have individual chapters of the Council of Canadians with whom we co-operate, and there are local social justice groups in communities.

One example is just delightful to me. I was able to visit Kenora a year and a half ago, and they organize so well. It's just so impressive. Last Christmas, for example, the community-active groups—the women's shelter, the legal aid clinic, the community health centre, the chamber of commerce. They include business, and this pleases me, that the whole community is getting together—and with aboriginals. Aboriginals are so important in that area. One of the things they said to me when I visited was, "You mentioned immigrants in your newsletter. That's a southern issue. Immigrants are in Kitchener or in Toronto, of course, but they're not in Kenora. Aboriginals are the real issue."

In other words, in total, I'm excited by the local activity in a place like Kenora, where they work together and where housing is the main issue on which they focus. But in Cornwall, for example, it's job loss, and so there we're dealing with—the city of Cornwall just set up a social justice office, so it's part of the Social Planning Network in Ontario. The Social Planning Network is another coalition around the province with which we co-operate.

In sum, I'm giving you a couple of examples just to give you an example of their work—broad members of unions or teacher federations and then small groups. I think Port Dover, on Lake Erie, has a women's group that—I don't know how many members it has, but it's a small number. But they're concerned with rural poverty, and they're concerned with being in a rural area where you might not have a child care centre nearby and so a woman needs transportation to get there. What if she doesn't have it? There are all sorts of obvious problems.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. John Argue: Thank you very much, and good luck solving poverty this year.

REENA

The Chair (Mr. Pat Hoy): Now I call on Reena and the Toby and Henry Battle Developmental Centre to come forward, please. Good afternoon. You have 10 minutes available to you for your presentation. If you would identify yourselves for the purposes of our recording Hansard. You can begin.

Ms. Carolynn Morrison: My name is Carolynn Morrison. I am the parent of a son with developmental disabilities, specifically autism. I'm past chair of Reena, and I'm joined today by the president of Reena. Initially, I would certainly like to express my gratitude and that of our family to the government of Ontario for the services and supports that our son has received. However, today I sit before you to speak on behalf of the thousands and thousands of families who are still waiting for supports and services that they desperately need.

Reena is a non-profit social service agency dedicated to integrating individuals who have a developmental disability into the mainstream of society. Reena is known for its innovative services and the quality of support provided to its individuals and their families.

Reena was established in 1973 by parents of children with developmental disabilities as a practical alternative to institutions. Reena enables people with developmental disabilities to realize their full potential by forming life-long partnerships with individuals and their families.

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Reena provides services to close to 1,000 people who have a developmental disability, including day and evening programs, counselling and therapy for individuals and family members, and student training and community consultation.

In addition, Reena provides residential supports for more than 300 individuals in 132 locations, which include group homes, condominiums and rented apartments, two specially designed homes for seniors, and homes dedicated to children and youth with autism.

The Provincial Network on Developmental Services: Reena is a key player in the Provincial Network on Developmental Services, an affiliation of provincial organizations representing 250 agencies in the sector. During pre-budget consultation last year, the network asked for \$200 million in additional multi-year funding to be added to the sector's base budget in the 2007-08 fiscal year to address urgent pressures facing individuals with a developmental disability and their families, and to build positive momentum for change in this sector.

The 2007 provincial budget committed \$200 million over four years for developmental services, starting with \$62 million in the first year. While this was a good step intended to begin stabilizing the sector and to start addressing wage gaps, the additional funding did not go far enough toward resolving the immediate pressures on

individuals and families waiting for supports and services. The difference between the network's budget request and the funding allocated, combined with the costly resolution of localized labour disputes in September 2007, has exacerbated the pressure on an already financially strained sector.

To resolve these ongoing pressures, the government must increase payments under the Ontario disability support plan to reflect the real cost of living in Ontario, with a guarantee of annual adjustments aimed at keeping pace with the changes in the cost of living, as one element of the government's poverty reduction strategy. You must also commit \$325 million over four years to reduce the waiting list of 13,400 Ontarians who are waiting for residential services, day supports and other supports and services, including respite services for families, and also develop a comprehensive long-term policy and funding framework to safeguard the sector's sustainability, guide its long-term development and ensure that all Ontarians with a developmental disability have access to the supports and services they need.

A single person on ODSP can receive a maximum benefit of \$999 per month, or approximately \$12,000 per year, to live on. With this income they must cover all expenses, including shelter, food, clothing, transportation and household items. Notwithstanding the government's recent ODSP payment increases, many Ontarians with developmental disabilities live in poverty because the ODSP benefits remain more than 18% below the 1993 levels when compared with inflation. Current ODSP rates fall far below the poverty line, which, for a single person living in an urban setting in Ontario, is \$19,000 per year.

Affordable housing needs and Reena's response: Reena supported the government's 2007 election platform where it committed to creating a long-term policy and funding strategy for affordable housing. We believe that this initiative represents a step forward for Ontarians living with developmental disabilities. Reena further supported the government's priority on closing provincial institutions, and during 2007 we welcomed 30 individuals with developmental disabilities from institutions in the province. We must not, however, forget those living in the community who require housing supports. There is now a crucial need to respond to families who are included on the York region community needs list.

In past years, Reena has built the Al and Faye Mintz Reena ElderHome, which accommodates 16 seniors with developmental disabilities; the David and Luba Smushkowitz Reena ElderHome for 10 seniors; the Heather and Martin Goose Home for Young Adults with Autism; the Berg Family Home, which offers a permanent residential program as well as a time-share respite residential program for children with autism; and the Shore Family Home, which provides residential programs for transitional youth and also a respite residential program for up to 18 families in the community. The specifically named homes have been acquired by Reena through its fundraising arm, the Reena Foundation.

In addition to creating residential spaces for individuals with developmental disabilities in the community, Reena has expanded its outreach programs to provide more programs for longer periods of time to individuals living in their family homes. These programs afford greater periods of respite, which is invaluable for their family members. The Reena Foundation grants up to \$400,000 per year for these programs and for the people waiting for residential services.

The need: York region is growing at a rate that is 14 times faster than the national average, adding 32,000 new residents per year to its current population of over 800,000 people. At the same time, York region has fallen behind in social services, with per capita spending on social services among the lowest in Ontario. Recent studies have identified the need for affordable housing and supportive housing for seniors and people with disabilities in the region.

Reena's new housing initiative: Reena is seeking assistance from the Ministry of Community and Social Services to secure capital funding for the construction of 83 residential spaces for individuals with disabilities. To be called the Reena Community Residence—and I would ask you to see addendum number one—it will be built at the Joseph and Wolf Lebovic Jewish community centre, situated in an underserved area of York region. Reena has received commitments for or obtained funding representing approximately \$20 million of the cost of the project. Government assistance is urgently needed to cover the remaining \$2 million in capital funding to ensure that this project can proceed and provide essential affordable supportive housing and community services to Ontario's most vulnerable citizens: children and adults with physical, developmental and mental health disabilities; the frail elderly; and families with special needs.

Providing a capital contribution to the Reena Community Residence supports the priorities of the Ministry of Community and Social Services and will allow the ministry to demonstrate results in the following key areas:

- settling and integrating the remaining individuals being released from institutions into the community;
- enhancing the capacity of the developmental disability sector and local communities to respond to the needs of people with developmental disabilities;
- encouraging and supporting families to develop their own supports in communities; and
- encouraging opportunities for cross-ministry, cross-service collaboration.

The necessity of well-trained staff cannot be over-emphasized. While some Reena clients are able to live in an integrated setting, there are others who require greater assistance. It is essential that there be well-trained staff available to provide these services. The recruitment of staff to the developmental disabilities sector is an ongoing concern, and once on board we must be able to retain staff by offering salaries and conditions on a par with social services such as health and education. A strong human resources recruitment and training plan is

essential, not only for social services but for the economic growth of the province.

Reena has always recognized the necessity of having well-trained staff and has had a vigorous and successful training program in place for many years. Reena now offers this program to the staff of similar agencies across the GTA. In 2007, Reena provided 3,000 training spaces to over 50 external agencies. Reena absorbed the cost of providing the trainers.

In addition to our learning and development programs, Reena has created a unique program to encourage individuals to embark on a career in social services. The developmental disabilities counsellor program is offered in partnership with George Brown College and now includes six other agencies. Twelve students graduated from our first program in 2003 and seven were hired. In 2007, 59 students graduated and 49 were hired in the developmental disabilities field.

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Families and service agencies in the developmental services sector believe that the time has come for the government to resolve the challenges that continue to face Ontarians with developmental disabilities. Toward that end, the Provincial Network on Developmental Services collectively agrees that government must increase payments under the ODSP to reflect the real cost of living in Ontario, with a guarantee of annual adjustments aimed at keeping pace with changes in the cost of living as one element of the government's poverty reduction strategy. We must commit \$325 million over four years to reduce the waiting list of 13,400 Ontarians who are waiting for residential services, day supports and other supports and services, including respite services for families. And we need to develop a comprehensive long-term policy and funding framework to safeguard the sector's sustainability, guide its long-term development and ensure that all Ontarians with a developmental disability have access to the supports and the services that they need.

The Chair (Mr. Pat Hoy): Thank you. The questioning goes to the official opposition.

Mr. Tim Hudak: Thank you both for the presentation. I have a number of questions. First, I noted in the brochure you provided, under "Reena's Mandate": "What makes Reena truly unique is the emphasis on providing Judaic programming and a Jewish environment for its clients, enabling them to develop spiritually and feel a connection and sense of belonging to their roots, culture and community."

I'm a big supporter of choice, that people should have a choice in services provided, whether it's faith-based or cultural options and that sort of thing. Do you care to describe in a general way why it's important for the residents to have that choice of the Jewish element with Reena?

Ms. Sandy Keshen: Let me walk you through a process. There was a teacher—his name was Hillel—who lived in about the eighth century. His principle was as follows: If I am for myself, who am I? If I'm only for

myself, what am I? Although Reena speaks to the principles of Judaic values and carrying them out, our population is 50% Jewish, 50% not. The individuals who are not Jewish—and Carolyn Morrison is one of the families who came to us because there was a faith base and a commitment to strong beliefs that individuals being supported by us have the right to the faith of their choice. They will attend churches, mosques, and we make a point of that because we strongly believe that's part of a human being's being that that happens.

In our outreach program, I would say that there is the same kind of percentage; we're very aware. Reena has been involved in helping faith-based agencies get started. Right now we're working with the Chinese community because we feel very strongly that as a community they're underserved, which means that although they make up 75% of our outreach program, they would probably benefit a great deal more if there was a faith-based, cultural-based organization that we could support. I hope that answers your question.

Mr. Tim Hudak: No, it's perfect; good answer.

There are two other questions that I'll pose in the interests of time, one with respect to the centre. You're asking for \$2 million from the province. I'm just wondering if there's been a capital fund that has already been set aside that you're applying to or if this is sort of a request outside the general funding.

The second question just deals around recruiting qualified staff. You talk about challenges with hitting the wages. Are they choosing to go into other sectors, or is it a matter of not getting enough graduates for your programs?

Ms. Sandy Keshen: It's interesting. The graduates from community colleges get very much into education: It pays more, it's not evening, it's not weekends, so they go there. Community college graduates go to that sector, so you don't see very many GSWs coming into our sector. So we began our own process and invited agencies. The individuals being trained by us know exactly who they're going to be working with and how they're going to be working. How we've done that is we estimated what it costs us to train staff; we are now able to use that time and money and train more staff, and they also get placement in the six agencies. They're very aware. It's a very different model than two years; it's a four-month program, and we have graduates twice a year.

Ms. Carolyn Morrison: Could I just add to that? As a parent who has needed to use the services of a group home, it's very, very difficult to place your child in the care of others, especially for mothers; we believe that we are the only ones that can provide services for our children. So I have to say, to be able to make that hard decision to let your child go, you really have to have the confidence that the individuals who are caring for your child, first of all, are well trained. Yes, you want someone who is concerned, but concern doesn't help them with the unique needs and behavioural challenges that my son would present or the pharmacology that's required for my son. So it's absolutely imperative that the

people who are brought in to work in the group homes with my children and many other children are trained to the best possible ability.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Ms. Sandy Keshen: Did we answer your question around the—

Mr. Tim Hudak: The capital side.

Ms. Sandy Keshen: The answer to the question on the capital side is that we will be going on a very serious campaign, and we've begun that already. With our taking of 30 individuals from facilities into our existing housing, we are able to look at some of the dollars going there. We did get a provincial-federal agreement for \$1.6 million, so we hopefully have a quarter of the money needed, and we've got a strong commitment from our community to help us with the campaign. So we are looking toward the ministry for \$2 million to top it up.

Mr. Tim Hudak: Matching the federal level.

Ms. Sandy Keshen: We have \$1.6 million specifically geared to dual-diagnosis individuals living in York region.

Mr. Tim Hudak: Thank you.

COLLEGE OF PHYSICIANS AND SURGEONS OF ONTARIO

The Chair (Mr. Pat Hoy): The College of Physicians and Surgeons of Ontario, please come forward. You have 10 minutes available to you; there could be five minutes of questioning. I ask you to identify yourselves for the purposes of our recording Hansard.

Dr. Rocco Gerace: My name is Rocco Gerace. I'm the registrar of the College of Physicians and Surgeons of Ontario. I come to this position having practised emergency medicine for more than 25 years in the London, Ontario, area. Joining me today are Louise Verity, who's the director of policy and communications, and Mr. Noble Chummar, who's a partner in the business law group at Cassels Brock and Blackwell. Noble is a member of our college council and currently serves on the discipline committee.

I'd like to speak today to three issues: firstly, the issue of oversight and regulation procedures done in out-of-hospital facilities; secondly, the ongoing health human resource challenges; and finally, to recommend enhancements to the public appointments process at the college. I'm not going to be reading our presentation, but I will simply highlight what's in the material and allow some time for questions.

Increasingly in Ontario, more complex surgery is being performed out of hospital. This is a good thing. This is a way of utilizing resources efficiently and effectively. Unfortunately, the regulation of this activity has not kept step with the amount that's going on. In-hospital, we have a Public Hospitals Act that clearly outlines a regulatory framework. There's no such framework for out-of-hospital procedures. There are a number of procedures, and we have been aware over the

last while of things like cosmetic surgery that are being performed out of hospital, and we think that there needs to be an aggressive approach to regulating this activity.

Currently, the college is involved in the independent health facilities oversight and this has formed a model for regulation, but we think more needs to be done. While we've prepared some regulatory amendments, we don't think that this will provide adequate regulatory solutions. For example, in the current process, we are unable to dictate what procedures can be done, to dictate the qualifications of those performing the procedures, to restrict what goes on in a particular facility, and, perhaps most importantly, to have a quality assurance framework to ensure that patient safety issues are addressed.

There are models across the country in some of the western provinces. In particular, Alberta has a very effective regulatory process for facilities. We are very anxious that we work together to create a regulatory framework for facilities. We are currently working with the ministry, and we think this work is critical.

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The second issue is around health human resources. We've spoken to this committee in the past about the importance of addressing the need for health professionals, and clearly our message has been heard. Work has been done: We've had more doctors registered in the past year than we have ever had in the past, but we have to continue to address this very important issue. Clearly, we recognize that we are heading for a crisis. We know that the population is aging, and with that aging population will come a dramatic increase in the burden of illness. We know that younger doctors tend to work less than older doctors; this is a matter of fact. Finally, we know that there is an aging physician population; in addition to the baby boomer patients, there's a group of baby boomer doctors who are going to be retiring. This compilation of issues is creating a perfect storm, so we are very anxious that government continue to put resources toward the creation of more doctors, toward the attention of collaborative-care practice models to allow other health professionals to do work and would urge again that consideration be given to the creation of an independent health human resource planning body, a body that will be able to plan for the future to look 10, 15 and 20 years into the future to ensure that we don't face crisis as we do today.

The third issue that I'd like to address is the public appointments process. I'm not sure how many people realize that regulation of health professionals in this province is a partnership. It's a partnership of the public and members of the profession. Indeed, on our council of 34, 15 members are members of the public appointed by government. Public members participate in every committee at the college, in every regulatory decision, in every policy decision at the college. The public members of our council are critical to the work of the college. We think there are flaws in the process. One of the big flaws relates to the remuneration of these members. It seems hard to imagine why members of the Health Professions

Appeal and Review Board are paid in the range of \$350 to \$400 a day when council members who sit on adjudicative committees are paid \$150 per day. The matters with which they deal are just as important. Reviewing a complaint decision is perhaps not even as important as a discipline panel that's reviewing a physician's right to practise into the future. Similarly, the process does not allow adequate compensation for preparation time; an example is the registration committee that considers multiple binders of information in considering who can practise medicine in this province, yet the rules would suggest that this preparation time should not be paid for. We've made a number of recommendations around the public appointments process, including suggestions that we have a process to screen candidates to ensure that they understand what the work involves; an effective orientation program; and a significant increase in the current per diem from \$150 per day to something more reasonable.

We think there are some important changes that should be made in the regulatory framework in this province and have tried to outline three of these for you.

We would be happy to answer any questions that you may have.

The Chair (Mr. Pat Hoy): Thank you. The questioning goes to the NDP.

Mr. Michael Prue: I listened with great interest, but much of what you had to say falls outside the ambit or the scope of a finance committee, save and except your request that we start to spend more money and develop places where doctors can learn. You have written down that the government is presently offering 100 additional spaces, and you say you need many more. How many more? You didn't put a number on it.

Dr. Rocco Gerace: I did not put a number on it, but we need a lot more. I think it would be inappropriate for me to suggest a number of places. I would think we first need a planning body to determine the right number of the right people to be able to give the service that's necessary.

I'd also like to come back to your comment about the right place and the right time. It would seem to me that legislative change and the commitment of everyone's time is a resource, and it's a resource that we think should be allocated in a way that best suits the public interest. So I would take exception that this is not the right place. I think if we're talking about allocating resources, and regulation is an important resource, that this is perhaps the right place. Similarly, resources around payment for public members clearly belongs in this venue.

Mr. Michael Prue: Yes, yes; okay. I acknowledge that. But there are other committees that deal more specifically with what you're asking. Be that as it may, what you're looking for, then, is a commitment from the government to sit down with you and like-minded groups and to discuss for future budget considerations how much more will be needed to train appropriate amounts of doctors.

Dr. Rocco Gerace: In respect to doctors, what we're suggesting is that, firstly, there be the creation of a health human resource planning body, a planning body made up of wise people who will be able to predict into the future the number of doctors, nurses and other health professionals that we will need moving forward, and then with the advice of that planning body allocate sufficient resources to meet those needs.

Mr. Michael Prue: Am I given to understand, then, that with the exception of the per diems, which would not amount probably even to \$1 million a year, you are not seeking additional funds in this budget process but you merely are seeking a committee and a commitment to study for future budget consideration?

Dr. Rocco Gerace: What we're asking is that there be careful consideration given to the amount of money paid to our public members and that that number be increased. If it could be done this year, I think that would be of benefit to not just the members of our council but to the public at large.

Mr. Michael Prue: I agree, but that's a relatively small amount of money. Is that the only expenditure of monies, apart from setting up a committee to study for future?

Dr. Rocco Gerace: Well, the committee plus the resources necessary and the increase for the per diems for public members. That's correct.

Mr. Michael Prue: Thank you so much, then.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ASSOCIATION OF ONTARIO HEALTH CENTRES

The Chair (Mr. Pat Hoy): I call on the Association of Ontario Health Centres to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Scott Wolfe: Good afternoon, and thank you for your time this afternoon. My name is Scott Wolfe. I'm a policy analyst with the Association of Ontario Health Centres. As some of you may be aware, the AOHC represents Ontario's close to 100 community health centres, aboriginal health access centres, and most recently a particular form of family health teams known as community family health teams; so those are 26 at present out of the 150 family health teams that have been announced and funded by the current government.

I'm going to try to be as brief as possible. I know your ears are probably ringing. So, as they say in the movies, let me try to cut to the chase and leave as much time as possible for your questions.

I'm here to speak to you today about three related recommendations that the AOHC and our members have to the finance committee and government. This year we feel that we are quite modest in our questioning and requests for the upcoming year, and each of these

requests and recommendations for 2008-09 speaks to what we feel is a longer-term vision that I'd just like to take a quick second to describe for you.

Some of you may have already heard this phrase, but our recommendations are situated within a vision for health and health care in Ontario and across the country, one that we're proud to be collaborating on with a number of provincial and national bodies to bring to light what is termed the second stage of medicare. If you've heard this term and it's not resonating or not making sense to you, very simply, what the second stage of medicare speaks to is doing things a new way, doing things more effectively and more efficiently. It's about investing our energy, our resources, first and foremost, in policy interventions and programs within the health care system that will enable us to keep Ontarians and Canadians healthy in the first place and then, through effective planning and resource management, provide more timely and effective health care services across the full continuum from primary care to hospital care, long-term care, in a more timely and effective manner.

I believe that we speak to these issues in a little bit more depth as well as the rationale for our three recommendations to this committee in here, and I would urge you to please spend a few minutes to read through these. Just to enumerate them quickly, what we're recommending to this committee for 2008-09 are the following:

- (1) to eliminate the counterproductive three-month OHIP wait period that is imposed on landed immigrants;
- (2) to eliminate the current second-class status of Ontario's 10 aboriginal health access centres and the communities that they serve;
- (3) to move forward in completing a provincial network of CHCs, AHACs and community family health teams to meet the needs of all Ontarians who need access to these services.

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These are, by far, exhaustive requests or changes that we'd like to see, but we think that in looking to complete the second stage of medicare in Ontario, these are what could be deemed low-hanging fruits. These are immediate policy interventions that could be made this upcoming year, with appropriate funding allocations, that will make a very tangible difference in increasing access to health care for hundreds of thousands of Ontarians and really fulfilling what are a number of stated commitments to communities throughout the province.

I'm going to speak very briefly to the first of these two recommendations: eliminating the OHIP wait period for landed immigrants, and then equitable funding for Ontario's aboriginal health access centres.

In the first respect, as you know, the current government—with support, I believe, across party lines—recently enacted the Fairness for Military Families Act. This speaks to a logic, I think, that is appreciated across party lines, and this means eliminating barriers to access to health care services. Currently, about 130,000 landed immigrants per year are forced to wait three

months for access to health care—OHIP coverage, as you know. This not only complicates the settlement process, but ultimately it means that we're spending a tremendous amount more in longer-term care and supports for families and individuals who are forced to forgo emergency and, in some cases, routine care during their first three months.

You'll see an example in our submission here which provides a case study of one individual whose family racked up over \$90,000 in emergency medical bills, and if you think this is just an exception, the sort of horrors that this family has faced are happening throughout the province on a daily basis. If this committee or government wished to hear more of these, the AOHC, in co-operation with the Right to Healthcare Coalition—which I'm proud to be a co-chair of—would be most pleased to bring these issues further to light, as we already have attempted over the last couple of years.

So we urge implementation of funding, which would follow introduction of a bill to open up access for landed immigrants to OHIP coverage immediately upon their arrival.

The second issue is the shortfall in funding faced by Ontario's 10 aboriginal health access centres. This amounts to roughly a \$15-million annualized shortfall for AHACs when compared to other similar services that are dedicated to non-aboriginal communities. This is something that we've addressed with this committee for the past two years, and an issue that we've tabled with government for the past three years at least. In essence, aboriginal health access centres have been flat-funded since 1997. This shortfall of \$15 million across 10 centres means that AHACs are unable to pay their staff at fair market rates—this is documented; are unable to hire the complements of staff that are required to deliver appropriate services—this is documented; and in essence are unable to participate in a lot of the provincial health reforms that, fortunately, community health centres in other centres have been able to participate in.

If I could stress two things that this finance committee could demonstrate leadership on, they would be forwarding strong recommendations to government that the OHIP wait period be eliminated in this upcoming year, as well as some sort of immediate intervention to ensure equity for aboriginal health access centres and their communities.

Again, we go into further depth in our submission, with substantiating rationale. There are background documents to further substantiate this. Some of these were submitted to this committee last year; others are in the hands of government currently. I hope that you will take up this challenge, and I'm open to your questions. Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mr. Wayne Arthurs: Scott, thank you for your presentation this morning—this afternoon, I guess, now. Like you, we're beginning to be filled up to the point

where it's starting to spill out our ears, I think, the number of presentations we've had today.

Having said that, it's nice to have a concise and very specific presentation. Do you want to take a couple of minutes, though, and just maybe flesh out the third recommendation a bit for us, so it's not only in written copy for us for Hansard but also on the Hansard record?

Mr. Scott Wolfe: Okay. I'd like to start by commending the current government and its numerous announcements since 2005 to expand access not just to physicians, which is where a lot of the public debate lies around health care, but also to interprofessional health care: 21 new community health centres, 18 new satellite community health centres, and 150 family health teams, of which 26 are community-governed, community-driven family health teams, which look a lot more like community health centres than do the average physician- or provider-driven family health team. So we have made tremendous strides over the last few years, and I want that on the record.

But what we feel is that in order to take advantage of a lot of the reforms that are being implemented in Ontario—including an increased emphasis, thank goodness, on primary health care—we need to have a strategic planning process whereby we identify all communities that require access to this model of care. CHCs, AHACs and community family health teams are funded differently, have different streams of funding and oversight, yet what they all have in common is that they involve community in the development and governance of health services. They reach beyond the clinical component of care and implement community development and health promotion programs that enable people who face barriers, due to poverty, race, gender and any number of factors, to accessing and benefiting from care to get the support they need to come to a place of health and equity on par with average Ontarians.

We feel that we are far from completing what we think should be this network of community health centres, AHACs and community family health teams throughout the province, so we'd like to engage government in determining how many more and where they're needed. We know of certain priority communities, definitely. I'd point out the horseshoe around the city of Toronto—Mississauga, Brampton etc.—as areas where there's a tremendous need for these types of services.

So what we're proposing as a modest beginning in 2008-09 is to start with 20 new centres: 20 new community health centres, new aboriginal centres, be they CHCs or AHACs. There haven't been any new ones announced for quite some years, with the exception of three family health teams which are focused on aboriginal communities. We'd like to begin by expanding these services in 2008-09, with a view to determining, in partnership with government, the full range of new centres that are going to be required over the coming years. I hope that answers your question.

Mr. Wayne Arthurs: It does, Scott. Thank you so much for that. I know that in parts of my riding—two

different communities, as such—we've had a very successful community health centre. Actually, it was focused around a youth centre that was started and has really developed and served the youth population very effectively. They have approval for one of the satellites but they're still resolving acquiring the appropriate site and those types of things.

I think your submission, that we need to maybe look a little more comprehensively at the network required in the province and prioritizing different ways, is one that's valuable. Within the context of health in particular, where our principal responsibility lies, we need to have a very good look to ensure we're servicing the right populations at the right time. Thank you so much for your submission.

Mr. Scott Wolfe: Thank you very much.

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ONTARIO'S WORKFORCE SHORTAGE COALITION

The Chair (Mr. Pat Hoy): Now I call on Ontario's Workforce Shortage Coalition to come forward, please.

Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would just ask you to identify yourselves for the purposes of our recording Hansard.

Mr. David Zurawel: David Zurawel, vice-president of policy and government relations for the Council of Ontario Construction Associations.

Ms. Linda Franklin: I'm Linda Franklin, with Colleges Ontario.

Mr. Tyler Charlebois: I'm Tyler Charlebois, the director of advocacy for the College Student Alliance.

The Chair (Mr. Pat Hoy): Go ahead.

Ms. Linda Franklin: Thank you very much for seeing us today. You'll be seeing some of us in other capacities throughout your hearing process. We're in Guelph with Colleges Ontario in a couple of days. This presentation today is about a much bigger movement, encompassing a broad range of folks whom you see on the first page of our presentation to you today.

When I started at Colleges Ontario a year ago, I was asked to make a presentation to a sector council group on skills training and shortages, and I asked my staff to talk to me about how many other groups had said something about skills training over the past year or two. In fact, we ended up with four pages of PowerPoint slides on individuals and groups who had said to government at one point in time, "There is a coming skills shortage; we need to do something about it." That was really the genesis of our starting to think about bringing a coalition together, which is what this workforce coalition represents. It's 20 organizations that represent millions of employees and every sector of the Ontario economy. They are all saying together, through this coalition, "We have a challenge, and we need government to be engaged in trying to fix it with us." We're here today to deliver that message to you.

It seems a little strange, I know, to be talking about labour shortages at a time when we're facing some challenges in the economy, and particularly in manufacturing—paper mills—there are some struggles around employment. These folks who are out of jobs right now are struggling to cope, but we believe that that's part of the same continuum. There are folks who are unemployed right now who need retraining and re-skilling and support for that. Frankly, in post-secondary education institutions, I don't think we do the best job we can for those folks right at the moment. There's some work to be done there in how you really do a good job of rapid deployment and retraining for these folks.

At the same time, there are many employers, even today, in a number of sectors from tourism to mining to health care, where positions are going unfilled because employers can't find qualified people. You'll see in the presentation that slides 2 through 7 talk about the specific sectors, from electric power to the environment, from health care to construction, financial services to tourism and hospitality, where workforce shortages are already a reality.

The coalition, as one of the first things it did, pulled in the Conference Board of Canada and asked them to do a third party independent evaluation of where they saw the labour market going in the next 20 or so years. They found that without any question, we will have a shortage of educated workers, skilled employees: by 2025, more than 360,000 fewer people than the workforce needs in Ontario; by 2030, 560,000. It starts as a relatively small problem in specific sectors today, but I guess the big challenge is, as we go down, between baby boomers retiring, people leaving the workforce a bit early, there's a general shortage of labour in the world, which means that every western democracy particularly is hunting the world for trained folks. We are going to face a really serious challenge in Ontario if we don't get started now on fixing it, and the longer we go on, the more exponentially this challenge grows.

I'd like to take a minute or two to ask my colleagues to comment on their experience, maybe starting with David Zurawel from the construction side.

Mr. David Zurawel: Thank you, Linda. Thank you, Mr. Chair and the members of the committee, for the opportunity to appear before you today.

As Linda has already addressed, the looming skills shortage represents a real threat to Ontario's continued economic security and prosperity. The industrial, commercial and institutional construction sector is no exception. Between now and 2015, our sector will need to replace 50,000 skilled tradespeople as the beginning of the baby boomer generation begins to retire. In addition to these people, another 35,000 people will be required just to meet the growth of industry demand. To date, all indications tell us that that we will be able to fill these 85,000 positions; however, there is real concern as to where these people are going to come from when we try to meet the projected skills shortfalls in the years 2025 and 2030.

For our industry in particular, the issue primarily lies in being able to replace retirees. Presently, the average age for most trades in Ontario is 40 years of age. As of 2005, which was the last year for complete information and data, more than 58% of the construction workforce is between the ages of 35 and 64. As I'm sure you can appreciate, with the passage of time, the workforce attrition rate is going to start to grow exponentially, and we're going to get to a point where keeping pace with the shortages is going to become untenable.

By not taking advantage of what time we have left now to put in place solutions to confront this problem, we're placing in jeopardy our ability to meet the province's strategic infrastructure goals—basically development, maintenance and replacement needs.

With that, I'll pass it off to Tyler.

Mr. Tyler Charlebois: Post-secondary education is a fundamental building block of a prosperous and just society. Education is one of the variables in Ontario that intersects all others. It impacts the health of Ontarians, the justice system we use, the economy on which we depend, and the civic engagement of our citizens. As a province that values the building of culture and social capital, we must work to ensure that the post-secondary education system is meeting the needs of our citizens, and frankly, right now it's not.

We have many citizens across the province who are going without access to post-secondary education. This fits in directly with the issue of the labour market shortage that we are going to be facing, as we have youth who are not getting the education, who are not going beyond high school into post-secondary education, whether it be through a college, university or skills training. We have immigrants who are not getting the proper training or recognition of the previous training that they have. We have women who are not getting the employment that they need and mature—or seasoned, as I like to call them—workers who are not getting the ability to continue to work and contribute to society. And obviously we have aboriginal Canadians and Ontarians with disabilities who are not getting the proper access to employment that they need. That is a major issue and a major challenge that we have: getting those under-represented groups in the province of Ontario educated, getting them retrained and getting them into the workforce so they can contribute like every other Ontarian and like they want to.

There's a figure that I like to talk about that says that if adults aged 25 to 64 with high school or less had the same employment rate as those with college credentials, 289,000 of them would have jobs. That's a huge figure and a huge number of Ontarians who are not finding employment because they do not have the education that is needed. With 70% of all jobs needing at least some form of post-secondary education, we need to start re-training and we need to start making sure the education and the accessibility of our institutions are there. From our perspective as the College Student Alliance, we'd

like to see a huge push being put onto education, with the province saying that education is a major issue and that you can't just stop at high school, you've got to go beyond; you've got to get that education so you can get that career that you're looking for that is going to contribute to the economy and is going to fill the labour shortages that we're facing across many sectors now and into the future.

Ms. Linda Franklin: We have a series of recommendations for you today.

The government and the province have been doing a lot of things, where we have work going on in the manufacturing sector, in the construction sector, in energy. But we're a little concerned that if we keep doing these piece by piece, sector by sector, we'll solve one sector's problem at the expense of another's. So we're recommending a Premier's skills council to bring together all of the good work that's already being done, identify where the gaps are in dealing with the skills challenge, and then produce some recommendations fairly quickly that not only put some obligations on the government but also bring together employers and educators as well as the folks who need to work together to solve this problem. We think it's eminently doable.

Our challenge, I think, is that all the Premiers have been advocating for a national skills strategy unsuccessfully for a while, and if that isn't going to happen, we think the province needs to act now so that we don't find ourselves, in a few years, in a place where it's just not possible to address this issue. Britain is already way ahead of us; most of the older western democracies are. They're out looking all over the globe for talent; they're putting all sorts of policies in place to do it. We need to be there, too, with the very best policies and strategies we have. So that's our recommendation for the big picture. How do you solve the skills strategy, writ large? We think that's going to take a few months. In a year at most, we think we can have a skills strategy in place. In the meantime, of course, we still need to start to look at some of the current and immediate needs of the workforce. We think we're well positioned to do this. The federal government is flowing another \$192 million, we hope, for skills training. We've got new federal post-secondary money that's supposed to flow this year. So we don't think it has to be a big burden on the provincial treasury to accomplish some of these goals down the road. The money's there.

In the meantime, though, while we're developing this strategy, we think we can strengthen—page 11 of the brief will show you some quick wins, we think, looking at how you strengthen training and transitional supports so that folks who are unemployed now can quickly get marketable credentials that help them get re-employed well and preserve jobs in the future. Initiate a next-generation workforce skills program which would support Ontario's employers in any sector that has a critical skills shortage today to help work with educators to design, equip and implement new programs to get more skilled workers into the field.

Then fund the Workforce Shortage Coalition a very modest amount, we're suggesting, to strengthen campaigns and outreach to youth about their career options and work experience, to look at best practices in other parts of the world, to get the support to teachers and guidance counsellors that we think they need to identify issues beyond the ones that they would traditionally think of as good employment opportunities, and to help work on supporting transparent and seamless transitions right through post-secondary education. The Minister of Training, Colleges and Universities is working on this now with the universities and colleges, but we think it needs a further push as well, with the whole weight of the government behind it to get where we need to go.

The Chair (Mr. Pat Hoy): You have less than a minute left.

Ms. Linda Franklin: Working to the end, Mr. Chairman.

Finishing, we think this is a current and important issue for action. We think that it's a good issue to bring before you because at least in the current year it won't cost you a lot of money. It's really mostly about policy development, understanding the challenge and starting to put the building blocks in place to address it.

I think the other thing we'd just say to you is we're not coming to you today to suggest that government has all the answers or government should shoulder all the burden, but we are saying that if we work together—employers, educators, government, workers—we can find solutions that will mean that we will avoid the kind of labour shortage that many other places in the world are going to be facing in pretty short order, and that in some sectors we are already facing today.

Thank you very much for your time.

1600

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Toby Barrett: Thank you for your discussion on labour shortages and the predictions for ever-increasing shortages. You talk about the years 2025 and 2030. In the area I represent in southern Ontario, with tobacco, fruit and vegetables, greenhouse—we have had a severe labour shortage for the last 25 years with respect to those agricultural commodities. I went through the Conference Board of Canada report. It doesn't seem to touch on that. Very simply, people do not want to do the work. I have done the work. I've done it for years in just about all of the commodities that are grown in our part of southern Ontario.

We have an excellent program. I don't know the figures; maybe 10,000 people a year come in to work in these labour-intensive commodities. I know in my area right now, primarily people from Jamaica and Mexico are here for maybe six or nine months. It's an excellent program. They spend a lot of money, they take a lot of goods back to their home countries and probably make money selling those products. It's a real boost to the economies in those countries.

Do you see any model here for some of the problems you're talking about as far as people coming in from other countries? I know there is mention here of a two- to five-year work visa. I'm talking more of a six-month or nine-month visa, then you go back.

Ms. Linda Franklin: Absolutely. I think one of the first things we'd suggest that the Premier's council do is to look at all of the best practices out there that do provide some modelling for us.

I'll tell you our big concern, though. We had a speaker from the UK who's in charge of their skills program come and talk to a conference not that long ago. He put a map of the world up in front of everybody, and they know precisely where the excesses of employment are over the next 20 years, where the deficits are, how many people they need, in what sectors, and how they go after them. So they have huge recruiting drives now in places like Pakistan and India, where they think there's an excess of workers.

I would imagine the same thing is going to be true of agricultural workers. So our big concern, frankly, is if we don't start now figuring out these issues and best practice and making sure that we have a lock on our labour market, we're going to find ourselves struggling, even with good programs like that, to keep up.

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: Thanks. Excellent presentation. It's great to see this broad-based group coming together. There are a couple of questions; maybe I'll ask them, in the interest of time, at once.

On page 10 of your presentation you underline the word "new" in terms of the federal funds coming to the province of Ontario. I've been on this committee long enough and just wonder if you're sending between the lines here a concern that the province might use that money for previously announced programs, as opposed to new spending. Is that why the word "new" is underlined?

Secondly—maybe this is best to David on the apprenticeship side—I have all kinds of folks in my riding interested in tackling apprenticeships. They have difficulty, though, accessing it. Can you maybe go a little bit further on how to modernize our apprenticeship system so that we can get more through?

Mr. David Zurawel: Thank you for the question. That's one of the issues we're looking at right now. The government, in the previous administration, did work at improving the apprenticeship tax credit, the three-year program. It's a good start. It's something that we're looking to take and hopefully broaden out a little bit more. If you take a look at an issue like construction, it seems fairly self-evident as to what it is, but even in the trades within what we call ICI—industrial, commercial institutional—construction, we have some apprenticeship programs that are three years, some that are five years, and there isn't anything that catches all of it. So we really need to work on that. I can't really say what the answer is. I don't know what the answer is other than that the good start we have with the existing apprenticeship program needs to perhaps evolve a little bit more to meet some specific needs of specific trades.

Ms. Linda Franklin: On the other question about "new" and "new" on page 10, this funding, which is new, isn't specifically earmarked by the federal government for a whole lot of reasons, although it has been fairly clear from them that that's where they want it to be directed.

Luckily, last year the Ontario government did flow funding from the feds directly to PSE, as it was suggested should be done. Other provinces weren't so good; in British Columbia, it went right into road maintenance. So, yes, we are concerned that in a tough economy every opportunity for money is an opportunity to look at a broad base of issues and challenges. We're very hopeful that, because of the challenges we think we're facing right now, this money that is available should be directed to post-secondary because we think it can solve a lot of problems; not just, frankly, in education and the economy, but also there is a social justice overlay here in what Tyler has talked about. There are lots of folks who are terribly underemployed today and under-represented in the workforce because we're not doing a good enough job of training them and reaching them in the right ways to allow them to maximize their potential. We think some of that clearly has to be addressed as this goes forward.

The Chair (Mr. Pat Hoy): Thank you for your presentation. The committee is adjourned.

The committee adjourned at 1607.

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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Official Report of Debates (Hansard)

Tuesday 29 January 2008

**Standing committee on
finance and economic affairs**

Pre-budget consultations

Assemblée législative de l'Ontario

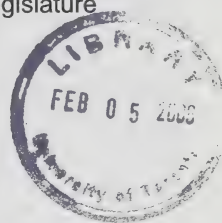
Première session, 39^e législature

Journal des débats (Hansard)

Mardi 29 janvier 2008

**Comité permanent des finances
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Consultations prébudgétaires



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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 29 January 2008

Mardi 29 janvier 2008

The committee met at 0900 in the Ambassador Conference Resort, Kingston.

PRE-BUDGET CONSULTATIONS

ALLIANCE TO END HOMELESSNESS

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. We're pleased to be in Kingston today.

I call on our first presenter, the Alliance to End Homelessness in Ottawa, if you would come forward, please. Good morning. You have 10 minutes available for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Perry Rowe: Good morning. My name is Perry Rowe. In my full-time position, I am the executive director of the Salvation Army Ottawa Booth Centre, but I sit here today as the chair of the Alliance to End Homelessness, a coalition of over 70 community agencies and numerous concerned individuals committed to working towards ending homelessness.

First of all, let me thank you for the opportunity to present here today. Despite the nasty weather, I think it's not going to be a bad day at all.

Our coalition members are diligently working toward an inclusive community that takes responsibility for ensuring that every resident of our city has a place to live, an appropriate home. Our member agencies are shown in the list on page 6 of the written presentation that we have. We represent a cross-section of interests in our communities, ranging from those that are listed there—the aboriginal community, the francophone community, housing loss prevention, mental health and addictions, shelters, the social housing network—to many more, as listed there. We also speak on behalf of ordinary people in our community who are concerned about homelessness and the urgent need for action to end it.

For the last three years, we at the alliance have been producing a report card on how we've been doing in our community. The report cards are released at the start of March each year, and the interest of the community continues to grow as to what these results are. If you would like to see those results or more on those report cards, they are available on our website, which is noted further on in the presentation. Our fourth report card is

about to be produced and we would be happy to provide you with a copy of that. That should be released early in March.

Today we would like to lay out four effective opportunities to end homelessness in Ontario, to address the priority commitments in the Liberal campaign platform, and to make suggestions for this 2008 budget.

In spite of the government's efforts—and we commend you on those efforts that you have made to date—homelessness remains a crisis across Ontario and in the Ottawa community. In our community alone, 9,000 people—families and individuals—experienced the devastation of homelessness last year. It may seem like a daunting prospect, but solutions do exist.

We recognize the necessity for each level of government to act on its own and also the need for the three levels of government to work together to end homelessness. We have come to the inescapable conclusion that resolute action on four provincial policy areas will end homelessness. On behalf of those facing homelessness in our community, we urge the committee to strongly recommend adequate increases in the following four areas.

First of all, the amount of and the annual provincial commitment to funding for affordable housing and supportive and supported housing at the community level: Until we increase the housing stock and the level of affordable housing, our attempts to end homelessness are going to fail. We will only be doing those things which are necessary to maintain the status quo. Until we start moving towards a higher level of stock and putting those other support pieces in place, we will not be successful.

We're also recommending increases in mental health and addictions services so that they meet the current need. We have a system that is sadly underfunded. The result of that is the inadequacy of the system to be able to respond to the growing nature of the mental health and addictions problems. While we understand and applaud some of the steps taken in the past few years to go to a different system, the LHINs system, by putting into that system agencies and a system that were already sadly underfunded, we again cannot keep up with the needs that exist in the community. In the city of Ottawa alone, there is a three- to four-month waiting period for somebody to get into an addictions program. If I have somebody today who wants to move out of their situation with an addictions problem, I have nowhere to put them, and

they may have a three- to four-month wait before I can get them into a program. With youth, I have nowhere to put them. The closest place that we can send somebody is up in North Bay, and those spaces are so full that we've had instances in the past little while where our families are sending youth to the States in order to address the problem of youth addictions, and even the mental health side of things.

We're also asking for sufficient increases to the rates for Ontario Works and Ontario disability support program benefits, tying those rates to average rents. To give you an example, for a single mother living in the Ottawa market in a non-subsidized housing unit who gets \$900-odd a month, paying \$745 for rent is not a way to keep somebody housed. And those are instances that are lived out time and time again.

We're also asking that you increase the minimum wage at a faster rate to allow those workers to meet minimal expenses for rent, food and other basic needs in the cost of living. We applaud the fact that this government has moved forward on committing to improving and increasing the minimum wage, but 2010 is going to be way too late. We have individuals who are falling off the grid into homelessness today who could indeed continue to be self-supporting working people but, because of the lack of the ability to maintain their housing and to maintain a living because of the low wages, are just unable to do so.

To give you some examples—I'm not going to read word for word this entire presentation, but I will bring your attention in that matter to table 2 on page 4. If you look at that table, it shows the hourly income to pay Ottawa's 2007 rents, the minimum wage that would be required for, first of all, a single room that rents in the Ottawa area at \$450 a month. The minimum wage that you would have to earn would be \$8.65. It would be \$12.37 in order to be able to afford a bachelor apartment. A one-bedroom apartment, at \$798 a month, would be \$15.35. You can understand when we say that that single mother, without any type of subsidy or any type of assistance, finds it very difficult to be able to deal with it. So we are asking that those appropriate actions be taken.

Our brief also shows, on page 5, the results of the 2006 indicators of homelessness and 2006 grades, and the indicators there that were published in our report card in 2006. To basically sum up, we're saying that if we were to address the four areas that are indicated here, it would certainly put us on a track that would help us move toward solving the issue of homelessness.

The incentive in all of this is that solving homelessness not only impacts one ministry within the government structure; it impacts many ministries. It doesn't just impact the Ministry of Community and Social Services. When we look at the work that's being done in our health ministry to reduce wait times and we consider that homeless individuals are more likely to spend more time in our emergency waiting rooms because of health, mental illness and addictions issues, then by solving homelessness, you are also working on the wait times; you are also helping the health situation. When you look at the num-

ber of times homeless individuals are more likely to be involved with the criminal justice system or with police interactions—I'll give you an example. We had police indicate to us that one individual we have been dealing with over the past little while has, over the past two or three years, had 4,000 encounters with the Ottawa Police Service prior to being housed. Now, you add up the dollars that are involved—

The Chair (Mr. Pat Hoy): You have about a minute left.

Mr. Perry Rowe: Okay. If you add up those dollars and you look at that, in the year that this individual has been housed, with supports around that individual, they have had four interactions with that individual. That makes a big difference. So the incentive is there for us to make a big impact by solving a problem that people look at as being a one-ministry problem only, or a one-area problem only, and that will make a whole lot of difference in a lot of other ministries across the government.

Again, we thank you for this opportunity, and I would welcome any questions that you might have.

0910

The Chair (Mr. Pat Hoy): The questioning goes to the official opposition. Mr. Barrett.

Mr. Toby Barrett: Thank you, Mr. Rowe. I appreciate your presentation on behalf of the Alliance to End Homelessness. You refer to statistics in the Ottawa area: over 9,000 people homeless and in addition to that—I just want to make sure that the figures are right—you also measure 9,000 people at risk of homelessness.

Mr. Perry Rowe: Yes.

Mr. Toby Barrett: So it's 18,000 people we're talking about here?

Mr. Perry Rowe: And those are the measurable ones. Those are the ones that are on the radar screen. You continue to hear the words, "the hidden homeless." One of the studies that was done recently through CHEO, the children's hospital, with a researcher, indicated that there were probably many, many more households that were one paycheque, one disaster away. But those are the ones we have interactions with and are able to measure at this point in the game.

Mr. Toby Barrett: If they go to a shelter, they're counted as homeless; if they're staying in a shelter?

Mr. Perry Rowe: They are counted within the system, yes. If they're staying on a couch, if they're staying with—there's lots of crowding that's going on that's never counted because you don't see that. You have three, four or five families living in a place that maybe one large family could have existed in, but those are the types of things that we can't count. But if they go inside the shelter doors or if they've had those interactions or have been counted on the street, they're considered part of the homeless numbers.

Mr. Toby Barrett: Just a quick one; my colleague has a question with the Ottawa figures. Ontario figures: You talked about a gradually growing rate. I know the economy has been good for the last 10 years. Has it been growing over the last 10 years?

Mr. Perry Rowe: Yes, it has, and the growing economy can have a negative effect on homelessness if the pieces are not in place. So, for instance, in some areas where the prices of housing have grown because the economy is becoming so good, it's similar to what we see in the western provinces, where when the economy booms the housing prices go up, the market prices go up and the ordinary person, the person who is working in the service industry or on OW or ODSP, can't afford to live in that same place.

The Chair (Mr. Pat Hoy): Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much, Mr. Rowe, for your presentation. Recently, one of the local members in Ottawa, who also happens to be the Minister of Community and Social Services, mused about moving all of the services that are concentrated in the downtown area out of the downtown area. That seemed to spur a debate with regard to whether this would be positive or negative with regard to the services being offered to those who are homeless and most vulnerable. Can you comment on that?

Mr. Perry Rowe: We have a dream that we too at some point would be able to move our services out into the community. The problem is a static problem at the moment, and that is where the concentration of the shelters are and, up until recently, the only place that they could exist.

If we solve the pieces of homelessness, if we have sufficient affordable housing, if we are able to move with that the supports around individuals and place them out of emergency shelters, which is costing this government and the municipalities an enormous amount of money, if we're able to move them out into appropriate housing with appropriate supports, first of all it will cost you less because you can do it much more cheaply if they're put into appropriate housing with supports around them. Then you could do it basically anywhere in the community. If you were going to create housing projects at numerous locations around—you're not recreating shelters; you're recreating housing for ordinary citizens who happen to be concentrated in the shelter system, but they're just like you and I, and there's no reason why they can't be in any other type of housing complex in the city of Ottawa, provided that the supports go around them. But until we get to that day that we have sufficient housing, sufficient supports and sufficient income support, that's not going to happen and we'll just be trying to maintain the status quo. We, as service providers, would love to put ourselves out of business and do other things, like providing those supports. But right now we're at a concentration that, with no places to put them, we're going to stick at for a long, long time unless action is taken.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

RAILWAY ASSOCIATION OF CANADA

The Chair (Mr. Pat Hoy): I call on the Railway Association of Canada to come forward, please. Good

morning. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Cliff Mackay: My name is Cliff Mackay. I'm the president and CEO of the Railway Association of Canada. First, let me say thank you, Mr. Chairman, through you to the committee for the opportunity to appear today.

The Railway Association of Canada is the single voice of railways operating in Canada and here in Ontario. In Ontario, we have about 20 members in the freight, inter- and intra-city passenger, short-line, and regional railway businesses. As the president and CEO, I'm pleased to have the opportunity to present the views of our members regarding measures that the government of Ontario should take to improve the competitiveness of Ontario's railway system, and in particular the short-line part of that system.

Looking ahead at the challenges that we see for Ontario, including difficulties in the manufacturing sector, environmental sustainability issues, regional economic development challenges and transportation challenges, particularly with issues like congestion, we see rail as a significant part of the solution to any and all of those problems.

I'd like to focus my remarks this morning specifically on the challenges facing the short-line industry. For your information, short-line railways tend to be small or medium-sized businesses. They connect local communities and local industries to the networks of the large continental railways like CN or CP. That's essentially their role in life. Anywhere from about 12% to 15% of the total freight volume that moves in Ontario originates with these companies.

The province is home to 13 short lines, which is the largest number of any province in the country. They're serving industries with revenues in excess of about \$4 billion a year. As such, short lines are a critical part of the promotion of the regional economies in the province. They link small and medium-sized communities to the overall networks of the large class 1 railways. They connect these communities to the whole North American and international market.

In a recent study which was jointly commissioned by the Ontario Ministry of Transportation and ourselves, it was determined that the overall economic and social benefits of Ontario's short lines was up to \$1.1 billion a year, with core economic benefits—i.e., direct benefits, hard, measurable benefits, not benefits associated with the environment and those sorts of things—in the range of about \$260 million to \$600 million a year, depending on which intermodal assumptions you wanted to make.

The issue that faces Ontario's short lines from a business point of view is that while they provide a very good and cost-effective service, they are small and they do not generate enough revenues to replace their basic infrastructure. By basic infrastructure I mean the bridges and the tracks that they run on. They can manage their

business to cover their operating costs, to cover their rolling stock costs, to cover all these other things, but over time, what we're seeing happen is that this infrastructure is being used up, and it's extremely difficult to replace. That is putting at risk a number of communities and, frankly, some local economies.

In addition, short-line railways are very well positioned to help in the solution to some of our environmental issues. For example, with regard to greenhouse gases, if the short-line industry of Ontario were to disappear and we were to shift that traffic onto the highways through truck traffic, you would generate an additional 73,000 tonnes of GHGs every year—a major incremental kick-up in GHGs.

Given the tremendous public benefits and, frankly, economic benefits from short lines, we would like to make a couple of proposals to the provincial government which would help their current situation. We have two specific recommendations.

First, we would like the government to implement the proposed low-density-line property tax credit to offset property taxes whereby railways that operate in low-density rail lines, i.e., short lines, would be fully refunded for the education portion of the property tax applied to their rights-of-way. Ontario is the only province that charges property tax on railway rights-of-way, even though you provide absolutely no services of any description in those locations. We think this would make a significant difference. It would amount to less than \$10 million a year of revenue, but it would make a huge difference to the economic viability of short lines. We would ask the province to look carefully at that proposal. We've consulted in detail with provincial officials and others, and we think it's time for the Legislature and the political leadership to look at this issue.

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The second proposal we would make is for the province of Ontario to enter into a shared funding agreement with the government of Canada and Ontario's short-line industry to establish an infrastructure program to renew the basic rail infrastructure I referred to earlier. Ontario's short lines require upgrading to accommodate the North American standard of 286,000 pounds per car weight. Many of the short lines are now operating at the old standard of 263,000, and it creates significant productivity and other problems and also slows down the system. Very few short lines can afford to do this on their own, and we believe a public-private partnership is more than justified, given the broader public benefits that would also be derived from this project.

In conclusion, the Ontario government has a tremendous opportunity, in our view, to make an important contribution to Ontario's short-line railways, and to Ontario's overall transportation network, through the implementation of the low-density tax credit and through the launching of a short-line infrastructure package. Modest assistance from the government of Ontario would ensure the continuing viability of this very important and strategic part of our transportation network.

I will be happy to answer any questions you may have. Thank you very much for your time.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will go to the NDP.

Mr. Michael Prue: You made the statement that we are the only province to impose this taxation. When did we do this?

Mr. Cliff Mackay: It goes back quite some time. I can't give you the exact date, but it's been around for at least 10 or 15 years. I'd have to go back and research and find precisely when it was brought in, but most provinces have recognized that this is, frankly, a non-productive tax which doesn't help anybody. We don't want to put financial burdens on the municipality, so we're proposing that the province look at the education portion of that tax—which of course is within the realm of the province, as opposed to the municipalities—and give a gradual tax credit depending on how low your densities are, up to a point where obviously you would not receive the tax credit because you're generating enough volume, in order to avoid the economic hardship that the tax imposes on people.

Mr. Michael Prue: Did other provinces institute this same tax and then get rid of it, or did they just never have it?

Mr. Cliff Mackay: Some provinces had the tax in the past. Quebec had it and has gotten rid of it. BC had it and got rid of it. Other provinces have never implemented this kind of tax.

Mr. Michael Prue: Your statement is that it amounts to less than \$10 million overall, the whole province?

Mr. Cliff Mackay: That's correct. In terms of the impact on provincial revenues, \$10 million doesn't sound like much if you're the government of Ontario, but it's an awful lot of money if you're a small company.

Mr. Michael Prue: The benefit to Ontario would be primarily environmental and perhaps economic as well?

Mr. Cliff Mackay: That's correct. It would make these operations more viable, and they are very important parts of the local and regional economies.

Mr. Michael Prue: Those would be my questions. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for the presentation.

TOWNSHIP OF LANARK HIGHLANDS LANARK COUNTY

The Chair (Mr. Pat Hoy): I call on the township of Lanark Highlands and Lanark county, to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I just ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Bob Fletcher: Good morning, Chair and the finance and economic affairs committee. My name is Bob Fletcher. I'm the warden of Lanark county for 2008 and also the mayor of Lanark Highlands. Accompanying me today is Al Lunney, mayor of Mississippi Mills and

past warden for the county. We also have in attendance the CAO from the township of Lanark Highlands, Tim Simpson, and the CAO from the township of Mississippi Mills, Diane Smithson.

Some of you may remember that we made a presentation to you about two days ago last year and we were received very well. We dropped a lot of information with you and, unfortunately for municipalities, little has changed in the last 12 months. We continue to struggle to be able to provide basic services for our residents as part of a system that is clearly unsustainable in its present form.

Our goal today is to focus on solutions to challenges faced by Lanark county and its municipalities. The Provincial-Municipal Fiscal and Service Delivery Review initiative in 2006 was a great start, and we hope that the recommendations emerging from this review panel in May will be paid great attention to by the government.

I'd like to turn it over now to Mayor Al Lunney.

Mr. Al Lunney: It is now well documented that Ontario's infrastructure, both municipal and provincial, is crumbling. We fully support the direction the province has taken over the past few years in recognition of the infrastructure deficit and the resulting funding initiatives such as the rural infrastructure investment initiative, Ontario's partnership with the federal government and municipalities for COMRIF, the Move Ontario fund and also the gas tax rebate.

However, most of the above-mentioned programs force municipalities of all sizes, sophistication levels and fiscal and human resources capacities to compete with one another for limited funds. These initiatives do not address the infrastructure needs of municipalities, especially small rural municipalities, whose fiscal capacity to replace or develop extensive infrastructure simply does not exist. As one example, a bridge reconstruction in our municipality valued at \$250,000 represents a 6% tax increase to our municipalities. In addition, we are not located on a provincial highway, so when we look at something on the magnitude of a sewage treatment plant, we simply cannot afford it.

With regard to Mississippi Mills and our sewage treatment plant, numerous orders have been issued against us as far as our lagoon capacity is concerned. The Ministry of the Environment have told us to do an EA process; we did the EA process. They have asked us to take certain steps; we have taken those certain steps. We've completed long-range capital planning, we've undertaken rate studies, we've implemented a development charges bylaw and we are in the process of meeting the new PSAB accounting standards.

However, even by doing this and borrowing for a \$21-million sewage treatment plan, using that as an example, we simply cannot afford to do any other work. Our full borrowing capacity will be lost, as far as future construction is concerned, the issue again being that small rural municipalities must be dealt with differently as far as funding is concerned.

Mr. Bob Fletcher: Similarly to Mississippi Mills, Lanark Highlands is much more diversified and has much more land that is not occupied. We have a very small village with about 800 people, and for over 100 years there's been a long-standing, well-documented contamination problem.

A 2006 testing program revealed that 31% of all the wells in this small community are contaminated with coliforms, or coliforms and E. coli. When I mentioned this fact, I remember one of your members last year, Mr. Prue, being astonished that in Ontario, in the country of Canada, we have a situation that is more commonly reviewed as something that would happen in a Third World nation. We have it right in our backyard and still we are unable to come up with \$24 million to correct this problem.

We're not here just to give you our problems. We also have some recommendations for you today. We really believe that dedicated infrastructure funding should be focused on truly rural communities. The definition of "rural" of 250,000 and below is really not rural; 10,000 and below might be considered rural. We might have 250,000 trees per acre, but we don't have more than 17 people in that little area.

Funding must be predictable, sustainable and long term. Dedicated funding should be for water and waste water. Funding formulas should recognize the fiscal capacity of the applicant, and needs analysis should be incorporated into the funding formula and recognize the unique circumstances of each applicant, municipality and community.

The application process should be simplified. The complexity of programs such as COMRIF for small communities to compete with the larger communities that have hordes of engineers and writers to complete their forms doesn't make it fair. We shouldn't be in competition just to get fair funding.

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On another note, one third of Lanark Highlands and a great majority of Lanark county is covered with crown lands. It amazes me today that we still do not receive one penny from the provincial government for the crown lands that we service with roads, ambulance, fire—anything that has to do with them—and the province doesn't have the courtesy to tell us when it's going to log them so we can go and look out for our roads and make sure they're not being damaged. These crown lands make up, like I said, a third of Lanark Highlands. Can you imagine what it would be like in the city of Toronto if we took one third of its property and said "No taxes." They'd be bankrupt. And here we are, struggling away.

The other one I would like to bring to your attention is hydro corridors. For some reason, there is a double standard. Some people get a tremendous amount of money for their hydro corridors. A small community next to us receives over \$200,000 from Hydro for their hydro corridors. We have 10 times that corridor and we receive nothing.

What we're talking about here today is fairness. We don't want you to just hand us money because of who we are; we just want to be treated fairly. If you're going to give money to Hydro, we don't ask you to re-tax and create more money; just haul it back in, find a formula and distribute it fairly. Then everybody is on the same soapbox with the same amount of money coming in for their residents. We shouldn't be in competition, day in and day out, with our neighbours, because that doesn't help anybody.

I look at the small areas around our municipality, our county, and what strikes me is that if the small communities die, what's the sense of good roads? If a good road leads to a dead village, it doesn't make sense. To me, half-decent roads leading to vibrant, small villages that drive into big cities to spend their money and increase their capability to fund themselves, makes sense to me. What doesn't make sense is when we can't afford to get in or our villages are dying.

At this time I'd like to ask Al if he has anything further to say.

Mr. Al Lunney: Just one very quick comment on the provincial gas tax revenue and the fact that, as you well know, rural Ontario's roads and bridges are our transit system. People pay the same provincial gas tax in rural Ontario as those in our cities and towns. They deserve to benefit from the transfer of gas tax revenues as much as people served by transit systems. It's simply a question of fairness and equity.

Mr. Bob Fletcher: Thank you for your time, and we will take questions if there are any.

The Chair (Mr. Pat Hoy): Thank you very much, gentlemen. This round of questioning goes to the government.

Mr. Lou Rinaldi: Thank you, Your Worships, and your staff, for being here today to bring your issues not just of your own community but of eastern Ontario, probably being a little bit more comprehensive to us.

First of all, I congratulate you folks, as wardens of eastern Ontario, for your advocacy in dealing with the government. There has been some movement, as you know. A couple of weeks ago, we were down here in Kingston. I was able to talk with you, along with a couple of other members.

Mayor Fletcher, a little bit of clarification—your opening statement that you were here last year and nothing has changed. Well, I take exception to that. There hasn't been one little thing downloaded to municipalities in the last four years; I think the trend should be uploading. Just to refresh, some things have happened in the last year.

For example, in the budget last fall the equalization over the next seven years of education tax to help industries that deal with higher education costs so that we could stimulate some economic development; the municipal fiscal review that we've embarked on—we moved a couple of issues way up the ladder even before the review, effective this January. The municipal portion of ODSP and the drug benefit plan is slowly being rolled in,

uploaded. As you know, we now have a real 50-50 funding of ambulance as of just this past fall that you never had before, and you were paying your fair share. I know the county I belong to needs \$1 million or \$2 million a year. The \$300 million that we just announced for infrastructure—a lot simpler formula to apply for, same as last year, the \$140 million. Plus, I guess, to the benefit of eastern Ontario wardens, part of our commitment is \$20 million a year—\$80 million over four years—for an eastern Ontario economic development fund.

Am I saying that we're fixing all the problems in your community? There's a lot to be done. But some recognition of the change that has happened in a very short time I think needs to be—you refer to COMRIF, the rural municipalities fund: \$250,000. That is a federal number. It's not a provincial number.

The Chair (Mr. Pat Hoy): Do you have a question?

Mr. Lou Rinaldi: I guess the question, at the end of all this—

Mr. John Yakabuski: No, he doesn't have a question.

Mr. Lou Rinaldi: Well, John, I've got the microphone.

The Chair (Mr. Pat Hoy): Order, please.

Mr. Lou Rinaldi: Yes, we listen to you. We have made some changes and we have a long way to go, and we appreciate what you bring forward here. I think, as we complete the fiscal review, you're going to see some of those things and how to best implement and work with you. So we have a memorandum of understanding with municipalities, with AMO, that whatever we do, you have a say in it.

I guess the question is, was there some change or no change?

Mr. Bob Fletcher: I would say yes, the change has started, but we have a long way to go, and it's quite obvious by your answer—which was a long answer—how long we have to go. I'm just hoping we can survive while we're on that long trail, that's all. We're at the wall.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

FIRST NATIONS TECHNICAL INSTITUTE

The Chair (Mr. Pat Hoy): Now I call on the First Nations Technical Institute to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. William Brant: My name is William Brant. First Nations Technical Institute is an indigenous post-secondary institute which was created in 1985, through partnerships with Indian and Northern Affairs Canada and the Ontario Ministry of Education and Training. We are federally incorporated, and I represent our board of directors.

FNTI is a pioneer in adult education. Our experiences are considered innovative and have been utilized in other institutions, both indigenous-controlled and mainstream. Our operations are entirely focused on the needs of indigenous students. We are proud of every single one of our 2,000 graduates and we hope you are too.

As an indigenous institution, FNTI does not receive operating funds in the same way as other colleges and universities. In fact, our federal and provincial sources are insecure, inadequate and unpredictable. As I sit before you today, FNTI faces a threat to its existence between an imminent 66% cut from the federal government and unfair levels of funding from the provincial government. FNTI faces the real possibility of closing its doors as of April 1, 2008. We have attempted to address this matter with both governments, but each claims that the other has primary responsibility. This is creating great uncertainty for our staff and students and their families. Hundreds of people are being negatively affected by government inertia on the most urgent issue.

Our board calls upon the members of this standing committee to send a message to your leaders and to the government of Ontario. It is time to recognize the true diversity of FNTI and other indigenous institutes representing post-secondary education. It is time to treat us with equity, fairness and justice. I thank you for this opportunity.

Ms. Tanya King-Maracle: *Remarks in Mohawk.*

My name is Tanya King-Maracle. I'm from Wikwemikong First Nation. I'm a graduate of the FNTI public administration and governance program, which is offered in partnership with Ryerson University. I am currently enrolled as a student in the FNTI Queen's University, pursuing my master's in public policy.

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FNTI specializes in delivering post-secondary programs which reflect the needs of indigenous people. From involving traditional teachers to ensuring strong student support, FNTI provides a learning environment which encourages students to succeed. As an indigenous institution, there is a greater opportunity to include cultural knowledge and teachings. This is extremely important to strengthen the self-esteem, self-knowledge and confidence in indigenous learners. This effort makes the learning relevant.

FNTI students are counted in the enrolment of partner institutions. In return, under the Ontario aboriginal post-secondary education and training strategy, FNTI is provided with \$1,677 per student. In other words, on a per-student basis, Ontario values FNTI students at one fifth to one seventh of a person attending a mainstream college or university. This is unfair and it's unacceptable. FNTI students work hard to complete their programs successfully. Why should we be valued at less than any other person at any other college or university? It's an awful message to be sending the indigenous people.

I encourage this committee to adopt the recommendations in FNTI's report, which will ensure that the

institute is treated with equity, fairness and justice. Meegwetich.

Mr. Karihwakeron Tim Thompson: *Remarks in Mohawk.*

I go by the English alias of Tim Thompson, and I'm proud to work with FNTI. I want to take a moment to acknowledge all the board members, staff and students who are able to make it here today. These are the people who are affected by the decisions that you make and the recommendations that you take forward—some of them; some of the hundreds who are affected.

What we're really affected by right now is federal-provincial bickering over who is responsible for indigenous institutes. As I stand here before you—or sit here before you—our fate is uncertain because we're not hearing from either government about what they're going to decide.

This is a true test for the government of Ontario and for all legislators. Do you believe in building positive relationships with indigenous communities? Do you believe in the value of indigenous higher education? Do you respect the need for indigenous institutions controlled by indigenous peoples? We've had a 23-year history of success and yet we face day-to-day uncertainty.

I want to point out an example. In the last session of federal Parliament, a private member's bill was adopted about something called Jordan's Principle. Jordan was a young Anishnawbe boy with severe medical issues who passed away in a hospital while federal and provincial governments argued over who should pay the costs of his treatment at home. This went on for years. He passed away before he could ever go home again.

All members supported this principle, which says that the government of first contact should assume primary economic responsibility for a child's health care. I'm urging you to take that into account and to take a recommendation forward into the Legislature that says, "We will adopt that principle on all matters dealing with indigenous peoples." Our students should not be put at risk.

We've put recommendations in our kit, and I'd like to read them for you. On an interim basis, we're recommending that the cap on the allocation for indigenous institutes under the aboriginal post-secondary education and training strategy be removed. The existing formula without the cap was agreed to between the ministry and the eight indigenous institutes in Ontario, and it serves as an acceptable interim measure while we do further work.

That leads us to recommendation 2: The further work we think we need to do is that Ontario work with FNTI and other like-minded indigenous institutions to implement a road map for the recognition of indigenous institutes, as per the recommendation of the evaluation of the aboriginal post-secondary education and training strategy. It's one of the only recommendations that has not been followed up on about that strategy in the past year.

It's recommended that the government of Ontario initiate immediate discussions with the federal government to bring clarity and certainty to the matter of jurisdiction with respect to indigenous post-secondary institutions.

Finally, it's recommended that Ontario demonstrate that it appreciates the true diversity of indigenous post-secondary institutes in the provincial post-secondary education system.

I hope we've provided some contribution to your deliberations. If you have any questions, we're free to try to answer them.

Remarks in Mohawk.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Toby Barrett: Thanks to the First Nations Technical Institute. You mentioned an over 60% cut in your funding.

Mr. Karihwakeron Tim Thompson: We've taken a 25% cut in the current year and we've been promised a 66% cut as of April 1 to our federal-side funding.

Mr. Toby Barrett: It's been running for I think 22 years. Has it always been funded by the federal government?

Mr. Karihwakeron Tim Thompson: It's always had a little bit of funding from both. It's been uncertain.

What happened on the federal side is that we had a multi-year agreement, which they unilaterally determined they could not maintain with a non-band-council entity. From 1994 to 2004, there was some stability at the federal level. Since 2004, it's been unstable, and now the jurisdictional issue has put us in a bind.

Mr. Toby Barrett: You run a high school as well. Is that funded by the province?

Mr. Karihwakeron Tim Thompson: We receive some provincial funding for that, yes.

Mr. Toby Barrett: I was just wondering—

Mr. Karihwakeron Tim Thompson: Actually, that's program funding. It doesn't support the—

Mr. Toby Barrett: The building, the capital.

Mr. Karihwakeron Tim Thompson: That's also federal. Sorry. I made an error there.

Mr. Toby Barrett: Are there other post-secondary institutions in other native communities—I should know this—or other institutes?

Mr. Karihwakeron Tim Thompson: There are actually seven others in Ontario, and two of them are close to your riding. We operate under the radar, I think.

Mr. Toby Barrett: I'm just asking these questions for the record. Everything gets tape recorded.

So your institute—how many students? What is the budget right now? We know what its percentage is.

Mr. Karihwakeron Tim Thompson: Student count: In the post-secondary programs, last year we had 343; at last count, current enrolment is just under 300. We do intakes through the year, so at any particular time there's a different count. Right now our budget, on the federal side, for post-secondary is \$1.5 million; on the provincial

side, it's \$671,000 under the aboriginal education strategy.

Mr. Toby Barrett: The Ontario Ministries of Education and Training have—I'm not sure if it's a new department—an aboriginal department. Have you been working with them?

Mr. Karihwakeron Tim Thompson: The responsibility for aboriginal institutes has shifted from MTCU over to the Ministry of Education aboriginal education office.

Mr. Toby Barrett: In Ontario, there's also a new Ministry of Aboriginal Affairs. With these issues, do you feel that you've been able to work with this new ministry? I know it's just getting up to speed. Do you see any use for that ministry?

Mr. Karihwakeron Tim Thompson: Well, I take the comments that have been made about trying to build relationships with indigenous communities to heart, and I hope that there's actual follow-through on that. It may be early to make some determination, but I'm hopeful that there will be follow-through.

Mr. Toby Barrett: One other question: I know you've come before the finance committee. Is there a forum to go before the federal government to appeal this? How does that work? Again, with different jurisdictions, I'm not how sure how they do it at the federal level.

Mr. Karihwakeron Tim Thompson: I'm like you, I'm not sure what the forums are. We were invited by Ministry of Indian Affairs staff to submit a business plan for consideration. We're still waiting for some kind of word. But we're in a bind. The fiscal year is approaching, and we have to hear something soon.

The other side of it is, if the feds come through—and we fully expect that they will; it's such nonsense to argue over successful post-secondary education—we don't want to have to turn around and give the money to the provincial system to subsidize it. That's why we're here today. We're asking you for fairness on the provincial side.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

For the committee, our 10 o'clock delegation has cancelled.

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JUSTICE AND PEACE COMMISSION

The Chair (Mr. Pat Hoy): Would the Justice and Peace Commission, Anglican and Catholic diocese, please come forward? Good morning. You have 10 minutes for your presentation, and there could be five minutes of questioning. I would just simply ask you to identify yourself for the purposes of our recording Hansard.

Mr. Chris Forster: Thank you. My name is Chris Forster. I am co-chair of the Justice and Peace Commission for the Anglican and Roman Catholic faith communities in this area of Kingston. This is the third brief that we, as a commission, have presented to the

committee since the present government was first elected in 2003. Our presentation this morning will focus on some of the same themes that we addressed in 2005 and 2006.

We want to focus on and discuss, in particular, the poverty and inequality that continue to stain our social fabric here in the province of Ontario.

We commend the government for announcing that a poverty reduction strategy will be introduced later this year. We take this commitment as a sign that the government has at last heard the consistent chorus of voices which for over four years now have been urging this government to get serious about social justice. As we said in our 2006 brief, our actions, more than our words, will mark our times.

We believe the government must begin to invest in three areas if its poverty reduction strategy is to be effective: child care and early learning, affordable housing, and increased social assistance. A fourth area, the fact that it is possible to work full-time and still live in poverty, can be addressed by increasing the minimum wage and updating the Employment Standards Act.

Before we join all the other organizations that are urging your committee to support these measures, our commission would like to underline a stark fact: In spite of the fact that Ontario and the rest of the country keep on getting much wealthier, our riches are actually becoming ever more unequally divided. Ours is a society broken by "unshared bread." This gap between the rich and the rest of us is widening.

It's widening in terms of market income. Stats Canada data reveal as follows: "Average family market income among the 10% of families with the highest incomes rose by 22% from 1989 to 2004. Meanwhile, among the 10% of families with the lowest incomes, it fell by 11%."

It's also widening in terms of overall distribution of wealth. According to Stats Canada, "The growing inequality in net worth during the past six years followed an increase in inequality in family after-tax income that occurred during the 1990s. This suggests that growing income dispersion over the last decade also contributed to the increase in concentration of wealth."

A 2007 study of high-income Canadians underlined this disturbing trend: "Some 5% of individual taxpayers had incomes of \$89,000 or more in 2004. Regardless of the threshold used, incomes in the upper tail of the distribution as well as the share of total income increased substantially from 1992 to 2004. In contrast, individuals in the bottom 50% to 80% generally saw little improvement in constant dollar income."

The national trends are reflected here in Ontario, where the economy grew from \$131 billion in 1981, when the first food banks were opening, to \$538 billion in 2005. But as the size of the economic pie quadrupled, some benefited more than others. In 1976, the average earned income of the richest 10% of Ontario families raising children was 27 times that of the poorest 10%; by 2004, that difference between the richest and poorest deciles had risen to 76 times.

Simply getting into Ontario's job market is not sufficient to increase family prosperity. Indeed, most people are working more hours, yet the extra effort is not paying off for the bottom 40% of families with children. Between 1976 to 1979 and 2001 to 2004, the median earned family income for the richest 10% of Ontario families with children increased by 41% in inflation-adjusted dollars. The median earned family income for the bottom 40% declined slightly, and for the poorest 10%, it declined by 60%.

In the same period, the poorest families were working longer hours. The average number of weeks worked for the poorest decile rose by 14%, and the average number of weeks worked by families at the top of the heap—who had watched their incomes rise by 41%—actually declined by 10%.

Apparently, our prosperity is becoming less democratic and is not serving many of our people. A critical question for us as a commission and for all of us as a society is, who does the economy serve?

Our Justice and Peace Commission is concerned with matters economic, but that's enough of numbers. Our main message to you, and to the government and people of Ontario, is straightforward: We must do more to make sure that the trend to social inequality is reversed. We must share our God-given endowment of wealth more equally.

Taxes, it has often been said, are the price we pay for living in a civilized society. But Ontario is still living with the tax cut legacy of the Harris-Eves years. One recent estimate shows that this legacy is costing Ontario \$16 billion per year.

We commend this government for having the political courage to restore investment in the health system early in its political mandate. But there remains real space for improvement, particularly with respect to another legacy of the former government: the downloading of social services to our municipalities.

There is room at the top. For each 1% of tax increase on incomes over \$150,000, the government would raise approximately \$300 million. A province with so much income and wealth inequality needs to address it by making its tax system fairer.

There is room in the exemption of the first \$400,000 of payroll from the employer health tax. Removing it would raise \$800 million annually.

There is room because the previous government's reduction in capital gains taxes is costing Ontario \$1.2 billion in lost corporate and personal income tax revenue.

There is room because Ottawa has chosen not to share its surpluses with provincial and local governments, but has decided to reduce both corporate taxes and the GST. This leaves Ontario real tax room from which we could fund a poverty reduction strategy.

There is room to reverse the downloading of services onto municipalities, the level of government that is least able to levy taxes, and especially fair, progressive taxes. Kingston, like so many other Ontario cities, must raise

local property taxes year after year after year just to meet its obligations.

Ontario's cuts to transfer payments to municipalities have dropped more than Ottawa's transfers to Ontario. We urge the government to reverse this trend. The present government has just established a positive precedent in its decision to upload the costs of the Ontario disability support program, but we can do far better. There is no reason that Ontario, with 38% of Canada's population, must account for 95% of local government spending on social services or 88% of local government spending on housing.

Last spring, each member of this committee, along with every other MPP, received a copy of the book *Lives in the Balance: Ontario's Social Audit*. It was published by ISARC, the Interfaith Social Assistance Reform Coalition. That study noted the shocking fact that real social assistance rates were actually lower after three years of the current government. That's because the meagre increases in social assistance were not even enough to account for inflation.

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The question remains, are we really exercising proper responsibility for those in need in our society? Even if we consider the small social assistance increase that our most vulnerable neighbours received this past November, their incomes from public provision still remain lower than they were when this government took office in 2003.

Quebec and Newfoundland have pioneered the introduction of poverty reduction strategies by indexing social assistance rates to inflation. We urge our government to establish an independent committee to establish a set of criteria based on social justice principles. Specifically, everyone receiving Ontario Works and ODSP should be able to afford the basic necessities of life. This, for example, should allow them to afford the nutritious food basket for each region. Once social assistance rates are raised, they must also be indexed to inflation.

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Mr. Chris Forster: Thank you.

Housing: The private housing market clearly fails to provide housing that's affordable for all citizens. The supply of rental housing has remained relatively static in the face of this high demand. In fact, 47.8% of Kingston residents pay over 30% and a stunning 23% pay over 50% of their income for shelter.

We urge the government to act now on its 2003 commitment to construct 20,000 units of affordable housing. Such a renewed commitment can be married to the urgent need to address climate change by measures that will not penalize poor tenants hit by rising utility costs.

We also believe that all human life is sacred and deserving of respect and dignity. Therefore, Ontario must invest in a system of non-profit, high-quality early learning and child care services that are affordable and

universally accessible. The Harris-Eves \$153-million cut to child care has as yet not been reversed. We encourage our government to do so.

We also urge the government to raise the minimum wage to a living wage of \$10.25 per hour, effective immediately. As with social assistance rates, the minimum wage needs to be indexed to inflation, so that low-wage workers do not see their earnings eroded by inflation.

In conclusion, we want to close our presentation with a reminder that the Sisters of Providence offered to this committee three years ago:

"If the current government fails to address this diminished fiscal capacity ... it inherited from the previous government, that signals an implicit endorsement of that government's budgetary strategy."

We are encouraged by the present government's steps and its commitment to a poverty reduction strategy, and we encourage them to continue on this road. We urge you to keep those words in mind in your deliberations and recommendations to the government.

I thank you for your time and your attention.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the NDP.

Mr. Michael Prue: The Harris government reduced welfare rates—as they called them then, OW—by 22%. This has never been adequately addressed: 3% the first year; zero the second; 2% in the third year, but it was only for half the year; and then 2% in the last year, but it was only for the last month. So in reality, as you said, the people are worse off.

What percentage increase do you think would be necessary to welfare and ODSP rates? Everybody says to increase it, but what percentage do you think would be necessary to have people have basic needs?

Mr. Chris Forster: In the Ontario alternative budget that I quoted extensively from, I think they were suggesting something in the area of 40% to 50%. Although that seems to be a large number, it would just barely enable those people to achieve the poverty level in terms of being able to buy adequate food, to afford shelter and all the other things that we've talked about.

Mr. Michael Prue: So if the government comes back with another 2%, that's not going to cut it.

Mr. Chris Forster: Well, not in our opinion, and not in the opinion of many other groups that have looked at the situation. Many of us do work in these areas of social assistance, here in the Kingston area and beyond, and we know the struggle and the suffering of the people.

Mr. Michael Prue: If the government determines to increase the rate—at the present time, municipalities pay 20% of the cost of welfare—can the municipalities afford to pay the additional amounts of a large increase, say 20%?

Mr. Chris Forster: I think municipalities have been doing what they can, but they need help from the provincial government. As we mentioned, a lot of the downloading that's taken place over many years continues to hamper their efforts. They're covering the

costs of so many more things over the last 10, 12 years. So, yes, they can do what they can, but we need help from the provincial government.

Mr. Michael Prue: In terms of housing, the government promised 20,000 units of affordable housing and 6,800 units of assisted housing four years ago, and they delivered 268 units of actual affordable housing. What kind of goal do you think they should set for themselves this time? And can they do it?

Mr. Chris Forster: Basically, we're encouraging and asking the government to fulfill their promise of providing that number of affordable housing units. I know the federal government has promised money, and money has been accessed by the province, but much more needs to be done, because the stats show that when you provide housing for people, the cost is lower than putting them into shelters and other high-cost efforts to assist people in need.

Mr. Michael Prue: In terms of child care, the federal government gave the government of Ontario a lot of money for child care, which they never spent. Should they be spending it?

Mr. Chris Forster: We'd certainly support that, yes.

Mr. Michael Prue: Those would be my questions. Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation this morning.

Committee, we shall recess until the next presenter arrives. I would ask you to stay in the room. We expect them at any time. We are recessed.

The committee recessed from 1006 to 1011.

CITIZEN ADVOCACY OF OTTAWA

The Chair (Mr. Pay Hoy): The standing committee on finance and economic affairs will now resume. We are pleased that the Citizen Advocacy of Ottawa has come in early and is willing to make their presentation. Sir, you have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Brian Tardif: My name is Brian Tardif. I am the executive director of Citizen Advocacy of Ottawa. Thank you for the opportunity to present to you today.

I want to start by just giving you a little bit of background on Citizen Advocacy and then the reason I'm here. For those of you who are unfamiliar with our organization, it exists in many countries around the world and is dedicated to pairing volunteers from the community with people who have disabilities, in one-on-one relationships. These relationships can have a profound effect on both the volunteer and the person with the disability. As a community-building organization, we promote inclusion, and we create the capacity of our community to care for one another, to provide a voice for those who may need it and to encourage them to act on their own behalf at times. These relationships enhance the quality of life for a person with a disability. It gives

them a chance to exercise their rights and it gives them an opportunity to become more engaged in the community.

In Ottawa, Citizen Advocacy envisions a community that welcomes all of its members and values all of their contributions, including those who live with a disability. We have a number of programs. Our core program is, of course, our Everyday Champions program. It's the one that I just described. Over the last 34 years, we have created over 2,000 relationships between volunteers from the community and people with disabilities.

We also have a program that is very similar which has been operating for the past six years that is dedicated to seniors who have a disability and are vulnerable as a result of their disability and often experience neglect and abuse. The role of the volunteer is to assist the senior to live more independently in the community, if that's possible, or to provide, I guess, an element of protection if they live in a long-term-care setting.

The Chair (Mr. Pat Hoy): Could you back up a just little bit from the microphone? We're getting noise.

Mr. Brian Tardif: Okay. Is that better?

We also offer a resolution program, which is a community problem-solving forum for adults with a developmental disability and their families who are at risk of harm, intrusive measures or family breakdown if supports and services are not provided, or who may require support that's beyond what an individual agency in our community or our service system has the capacity to provide.

Our latest program, which is a program we were asked to implement about a year and a half ago by the Ministry of Community and Social Services, is called Real Plans for Real Life. It's a program that supports individuals who have a developmental disability and are identified as "most in need" by our local access centre for developmental services. We engage these individuals, their families and others in creating a person-centred life plan that reflects a vision of the person's future. We also work with the individual and their support network to identify the services required to support the goals of the individuals' person-centred plan.

As an organization, we're funded by the United Way of Ottawa, the Ministry of Community and Social Services and the city of Ottawa. In addition, we generate a quarter of a million dollars annually toward our annual operating budget. We do that through special fundraising, grants and donations.

As the executive director for the past 23 years, I have come to appreciate the significance of the unique perspective that our organization has on issues in the community. We play a unique role, which is a distinguishing feature of Citizen Advocacy and the result of a number of factors. First, it's the involvement of ordinary citizens who are unpaid and who are involved in unpaid relationships with some of the most vulnerable citizens of our community. This provides an independent perspective that is free from conflict of interest. We don't offer housing. We don't provide direct services. We don't hold

any authority over the person's most basic elements of daily life. So we are privileged, as a result, to have a high level of trust and respect among individuals with disabilities and their families. They turn to us for support, for direction and for somebody who will act with them and provide a champion for them.

Today I appear before you to speak specifically about a group of people who I believe continue to fall through the cracks of our community support system. Specifically, it's those who have been identified as most in need who have a dual diagnosis or complex disabilities and are residing in our hospitals.

We know that there are 120,000 people in Ontario who have a developmental disability. Approximately 25% of these people have a developmental disability as well as multiple and complex disabilities that require complex, often 24-hour supports. Some of these adults with disabilities are occupying acute care beds in our hospitals across this province for unnecessary extended periods of time; some, in acute care settings, for up to two years because there are insufficient resources at the community level to support them in their family home, in a group home or in another family home type of program in the community.

The Dual Diagnosis in Provincial Psychiatric Hospitals: A Population-Based Study that was done articulates that in-patients with a dual diagnosis have problems of greater severity than out-patients, and that resources are often limited to those with a dual diagnosis—and often, they are absent. The report goes on to state that they tend to be in-patients not because of the severity of their difficulties but because there are no appropriate places to discharge them: "Only 12% of in-patients with dual diagnosis were determined to require the in-patient hospital care they are currently receiving. If the intensive services required could be made available to them, most in-patients would be able to succeed in the community-based settings as opposed to" hospital care. The study also concludes that "37% of in-patients with a dual diagnosis have been in hospital for" more than "five years." Our Real Plans for Real Life program at Citizen Advocacy is engaged with 17 of these people who have a significant history of hospitalization, and our experience supports these findings.

The basic daily rate for hospital care in Ottawa ranges from \$660 to \$1,200 per day. In your handout, I've given you a breakdown of the hospital rates, by hospital, according to their finance departments. The annual cost for one person occupying an acute care bed for one year ranges from \$240,990 to \$427,780. In some situations, on top of this we're adding additional supports because of the complexity of the person's disability.

In other cases, we have seen individuals discharged from hospitals, back to the care of their family, only to be readmitted to the hospital because of insufficient supports for the family or because there is no alternative in the community for their family member. Access to services is often limited to acute crisis, and even the long-term

solutions for individuals and families in crisis are limited to admissions in acute care hospitals.

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Several of our hospitals' acute care beds are being inappropriately used, at an appreciable cost to our health care system. The changing profile of individuals requires more complex supports that often exceed that which is currently available in our community. We need to ensure existing resources are better used, we need a realignment of resources, and we need more resources. That's why I'm here.

The current situation makes no economic sense. Dr. Elliott, who is an assistant professor of psychiatry at Queen's University, wrote a paper called *Uneconomical Care: Estimating the Cost of Inadequate Integration of Health Services and Social Supports to Persons with Intellectual Disabilities and Mental Health Needs*. In it, she explores how inadequate community supports for persons with intellectual disabilities appear to result in unnecessarily longer and more costly hospital stays. Dr. Elliott states that "delays and inadequate funding of community supports by MCSS may increase the cost of care provided by the MOHLTC which may ultimately increase costs to the entire system." She also found that "delaying the funding of community supports increases the lengths of stay for some patients with a dual diagnosis" and that "inefficiencies exist because there are few mechanisms to plan for joint funding or an overlap of services. Some of this is due to the institutional culture of the agencies involved."

There are several inefficiencies that include unnecessary hospitalization. A number of people we have worked with have been admitted because there is no appropriate community solution; I've already mentioned that. There are lengthy admissions because there are no community solutions available, delays in funding community placements either before or after admission, lack of shared planning and jurisdictional boundaries. These are all elements of the inefficiencies.

The Chair (Mr. Pat Hoy): You have about a minute left.

Mr. Brian Tardif: Thank you.

The current situation makes no sense on a humanitarian level. We know that our treating psychiatrists are saying that the longer these people stay in the hospital, the more negative the impact on the future success of discharge and transition plans. Dr. Elliott identifies several outcomes of an emotional and psychological nature that impact individuals and their families.

So I ask you, where is the common sense in all of this? The annual cost of supporting three individuals that we were working with last year in hospital was \$747,000. We had developed a proposal which would see these three people moved to the community at a cost of under \$500,000 a year, but there was no money. So these people continue to reside in hospital. We have another young fellow who's in hospital right now and has been in hospital for the last year at a cost of over \$350,000. We have a community solution that requires an additional

\$85,000 to bring him back to the community, but we can't do that because there is no money.

My submission goes on to offer you a series of recommendations. I don't have time to present them all, but basically the bottom line is that we need to see a realignment of resources, we need to see more resources, and we need to see much more inter-agency collaboration between the Ministry of Health and the Ministry of Community and Social Services. I have spoken with both ministers in individual meetings. They agree. They understand the nature of the problem. What I hear is, "We have to fix the system," and I agree that we have to fix the system; I think we all agree. But in the meantime, there are people who are lingering in our hospitals, not just in Ottawa, but all across this province. We need to find a solution for those people while we look at the long-term fix for our system.

Thank you very much.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mr. Wayne Arthurs: Brian, thank you so much for your presentation this morning. If I could, I'd just, on behalf of all of us, through you, thank those volunteers who work with you and other citizen advocacy organizations in this country. I'm not even sure where they are. You may be able to tell me just casually, when I give you a couple of minutes or so to respond, where some of those might be, just for our edification, if nothing else. I'm not familiar with them as such.

I met as recently as Friday in my constituency office with a local organization called Families for a Secure Future. They are working, through this transformation process that's going on with the Ministry of Community and Social Services for developmental disabilities, as a support network for families, particularly with young adult people who are developmentally delayed, challenged, or who need those levels of support. They're quite pleased with the work that we've achieved, at least from their context. It hasn't solved all the problems, but it has made it better for them.

I have a local co-op housing organization, Deohaeko, in my constituency. I worked with them as the mayor to actually get that building up and running with them. So there's some very good work that's going on by community folks, I think, generally, and certainly what you're doing in this organization is a prime example of that.

One of the great challenges, I think, as we look at the cost implications and we do that analysis of what are the hospital costs and what are the community costs—obviously, if you free up that hospital bed, you know someone else is waiting to occupy it. So although there are efficiencies in doing it a different way, it doesn't necessarily mean we're going to free up those dollars; there have to be those incremental dollars.

Because you have so much to tell us, I'd be interested, just in the 30 seconds, in the advocacy groups that might exist elsewhere that may help any of us around this table who aren't familiar with them. Secondly, take the last

couple of minutes available, if you would, to run through some of those recommendations for us so they're formally on Hansard as well as being in the hard copy.

Mr. Brian Tardif: In terms of citizen advocacies across the country, there is a citizen advocacy in Windsor, Ontario; there are citizen advocacies in Alberta; there are a couple of citizen advocacies in British Columbia; and there are a couple of citizen advocacies in the eastern provinces. So it's a loose affiliation across the country. There are several citizen advocacies that exist throughout the United States, as well as Australia, New Zealand, Germany, and a number of Scandinavian countries. So that's what I can tell you about where they exist.

I'm very familiar with the transformation that's going on in developmental services and, in fact, appeared before this committee last year to support transformation and what it's doing. But I also believe that transformation isn't going to respond to the needs of the folks that I've just talked about. Their needs are far too complex. So I say here in my recommendations that from the perspective of citizen advocacy, we believe it is incumbent on this government to explore a realignment of health dollars to address this serious issue. In addition, we recommend an infusion of dollars in the budget specifically targeted at creating cost-effective community solutions for this group of people.

We need new funds that need to be managed in an integrative manner between MCSS and the Ministry of Health and Long-Term Care through joint funding of collaborative service delivery models between these two ministries. Any new or targeted funding should be individualized funding and should be tracking the individual costs for increased accountability. We believe that for some of these folks, if you invest in some of their community support needs up front, after a couple of years their community support costs are going to decrease. That's why the individual tracking is important.

Protocols and appropriate placement options need to be developed that take into account the severity of the aggression that is displayed by patients who have a dual diagnosis. Interministerial cooperation is required so that patients with a dual diagnosis can access appropriate services through both systems in a cohesive manner.

For those patients whose current admission is due to the lack of appropriate alternatives in the community, funds need to be allocated to create such spaces in the community and assist these individuals to leave hospital. We know the beds will be full, but the beds will be used much better if we can see that there are people coming and going as opposed to having these beds blocked.

Those are my recommendations. I thank you and I urge the standing committee to consider the economic and humanitarian implications of what we're doing.

The Chair (Mr. Pat Hoy): Thank you for your submission.

The Eastern Ontario Community Futures Development Corp., if you could come forward, please.

Interjection.

The Chair (Mr. Pat Hoy): Okay.

CITY OF OTTAWA

The Chair (Mr. Pat Hoy): Is the city of Ottawa here?

Mr. Peter Hume: Yes, we're here.

The Chair (Mr. Pat Hoy): If you would come forward, please. I'll let you get seated there.

Mr. Peter Hume: Good morning, Mr. Chair and members of committee. We're pleased to be here. My name is Peter Hume and I'm the councillor for Alta Vista ward in Ottawa. I'm a member of the AMO board of directors and a member of the fiscal service delivery review political table. I'm joined this morning by my colleagues: to my right is Peggy Felmate and to my left is Councillor Diane Deans, the chair of the community and protective services committee. We're also joined by deputy city manager Steve Kanellakos, who is responsible for the community and protective services area of the city of Ottawa.

We are here today to address the funding relationship between the province of Ontario and the city of Ottawa and, more specifically, the need for the province to continue to reassume its financial responsibilities for social and health programs currently carried by or downloaded onto municipal property tax bills. We're also here to address funding gaps under current cost-shared agreements as well as some emerging needs.

I want to say at the outset that we at the city of Ottawa have been greatly encouraged by the efforts made by the government of Ontario since it was first elected. After years of downloading, the Premier and his government have been clear that the current situation that leaves property taxpayers footing the bill for underfunded and downloaded provincial programs is unfair and cannot continue. Funding these programs through the property tax base is unsustainable. While we have shown great patience and appreciate the complexities of this issue, we need this committee to understand that the provincial government must take immediate action in the next budget to stop the underfunding of cost-shared programs and to continue to deliver on its promise to upload.

Currently, the city of Ottawa property tax bill includes \$230 million of income transfer programs and services that the province effectively controls. We eventually want the entirety of these programs and services off our property tax bill.

We are sure you will agree that included in these services are a number of income transfer programs, all of which should not be funded from property taxes, as this is a regressive form of taxation. The government of Ontario recognized this fact when it uploaded ODSP late last year. This was a small but important first step towards righting past wrongs, and we encourage you to move forward.

The committee will certainly be interested as to what the city of Ottawa believes is a fair amount to move forward on in the 2008 provincial budget. We have identified an area where immediate provincial uploading

makes the most sense and is achievable immediately. We've also identified areas where funding gaps need to be closed and where important emerging needs require provincial support.

I will now ask Councillor Diane Deans, who is the chair of our community and protective services committee, to present that portion.

Ms. Diane Deans: Thank you, Peter. Good morning, everyone.

To help the city return to a position of sustainability and to meet an urgent emerging need, there are three steps we are asking the province to take in 2008. These are:

- (1) Close the funding gap and fix the funding formulae under existing cost-share agreements;
- (2) Upload public health to 100% provincial funding; and
- (3) Provide funding for a youth residential treatment facility in eastern Ontario.

Returning to number one, closing the gap, the first important step we are asking the province to take in 2008 is to close the funding gap associated with cost-shared programs and to fix funding formulae that allowed these gaps to occur in the first place.

In 2008, the funding gap is anticipated to rise to a total of \$16 million under current cost-shared agreements for child care, at \$5.155 million; public health, which is \$1.63 million; and long-term care, at \$9.21 million.

The funding gap in child care alone is expected to rise from \$1.7 million in 2007 to \$5.1 million in 2008. This is due to two critical areas of underfunding.

First, an annual \$1.2-million shortfall in provincial funding for the Best Start spaces: In 2005, the provincial government announced the Best Start initiative that included the creation of both new spaces and new subsidized spaces. These Best Start spaces were to be financed using 100% provincial funding. However, the funding formula is outdated and does not reflect true costs. For a subsidized space the province provides \$7,500 annually while the average true cost is \$10,000. For every new, provincially funded space created, the city has an annual shortfall of \$2,500.

Second, the outdated funding formula for child care does not reflect the rate of inflation or the true costs of expansion of the system. This has resulted in a compounded funding crisis in child care.

A funding shortfall of \$9.2 million is anticipated for long-term care, up slightly from 2007. This funding gap has been created by an inadequate funding formula for long-term care. The funding formula must be fixed. The province is mandated to pay 100% of nursing, personal care and program and support service. However, the current funding formula, CMI, is not sustainable because it captures a single point in time, focuses on individual residents and is subject to change annually.

The four not-for-profit long-term-care homes provided by the city of Ottawa serve a resident mix that includes an increasingly higher number of residents with dementia and increasing complexity of care needs. City homes

provide a standard of nursing care that reflects city council's commitment in the absence of a specific provincial standard. They are facing upcoming legislative requirements regarding staff training and documentation. The funding formula simply does not reflect these realities.

Moreover, as care levels across the province change, there is no net increase made to the provincial funding base. Instead, funding to long-term care is merely redistributed within the sector. The province must increase and stabilize the total funding to long-term care in 2008 to reflect the realities the city's homes are dealing with each and every day.

I now want to turn to public health. It is our city council's stated position that this important health care service must be funded by the province of Ontario. Ottawa city council has already approved the removal of funding for public health from the city's 2008 budget and future budget forecasts. The anticipated funding gap for public health in 2008, based on current cost-sharing agreements, is \$1.6 million. However, the solution we are seeking in 2008 is not to simply close the funding gap but to upload public health to 100% provincial funding.

When the full costs of public health are added to the funding shortfall, based on current cost-sharing agreements, the full funding gap for 2008 is anticipated to be \$25.8 million.

I will ask Councillor Feltmate to carry on with the presentation and its closing.

Ms. Peggy Feltmate: Good morning. The third budget priority is to fund anglophone and francophone residential youth treatment facilities in Ottawa. Currently, there are almost no residential facilities in eastern Ontario despite the high need. Youth under 18 in eastern Ontario can end up travelling as far as Thunder Bay to receive residential treatment. Locally, a broad-based community network has been working very hard to bring this essential need to fruition and expects to be able to raise about half the capital costs towards the project. A business case is being developed and a high-level work plan was forwarded in July 2007 by the Champlain LHIN as part of their annual service plan to the Ministry of Health for funding consideration in 2008. It is time to bring residential youth treatment facilities to eastern Ontario. This cannot be done without support and funding from the province.

These three steps represent a good start in the essential job of removing the tax burden for a range of health and social programs from the property taxpayers. Coming from a small town, I have seen the economic conditions that cause people to relocate to large centres to find work and may force them to seek help through social programs as they get established. As we all recognize, spending on public health plays a significant role in reducing the costs of the health care system as a whole. Asking property taxpayers to pay for these programs, when their impact goes far beyond the borders of one municipality, is bad policy. Given the need for the city to find solutions to its

infrastructure funding issues, the current funding arrangements for health and social programs are unsustainable.

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We have spent the majority of this presentation talking about historical funding imbalances that need to be addressed. Before we close, we would like to address the relationship between the province and our municipality going forward, and tell you that we see you as a partner in our growth.

By starting to restore funding for transit growth through infrastructure grants and other sources of funding, you have shown us that strengthening cities and providing the services residents need have a place on your agenda. From time to time, as you would expect, we will continue to rely on your support to fund important infrastructure projects and programs as the need arises.

For example, our staff tell us that the province should consider providing an additional \$3.2 million annually to fully fund the child care wage subsidy grant system in Ottawa. This initiative provides provincial cost-shared funding to support pay equity/wage subsidy as well as other salary support initiatives so that trained staff receive a fair salary and the costs of child care services remain affordable to parents.

Finally, as stated earlier, the total cost of uploading income transfer programs and services that the province effectively controls is \$230 million. We will continue to expect progress toward uploading this full amount in future years.

In 2008, we are asking the province to build \$25.8 million into its budget to close funding gaps, fix funding formulae and upload public health to 100% provincial funding. We are also asking that the province provide funding for the urgently needed youth residential treatment facilities for anglophone and francophone youth in eastern Ontario.

We run a lean organization at the city of Ottawa and pride ourselves on keeping tax rates low while maintaining front-line services to our residents. But, like most municipalities, we face extraordinary funding challenges. Our city is growing, and we must continue to invest in important items like new infrastructure and infrastructure renewal.

We have raised taxes and dedicated money toward renewal, but people in our city are frustrated that so much of the property tax bill goes to support programs local taxes were never intended to fund. That is why provincial uploading is so important. As a first step, this means closing the funding gap and fixing the funding formulae; 100% provincial funding for public health; and funding a youth residential treatment facility in eastern Ontario.

Again, I would like to thank you for the opportunity to address the committee on behalf of the city of Ottawa, and look forward to any questions the committee may have.

Ms. Diane Deans: Just one other thing: The committee that I chair has asked me to raise a public housing issue with you as well. It's short. If time permits,

I can do it; if not, I have it in written form and can table it with you.

The Chair (Mr. Pat Hoy): You're actually over your time now. Perhaps that would come up during a question; one never knows. But certainly you can present it to the full committee.

The questioning goes to the official opposition.

Mr. John Yakabuski: Thank you very much for joining us this morning. I'm sure that drive, coming down from Ottawa, was not the best this morning.

A couple of things you talked about: Councillor Hume, you're on the fiscal capacity review, as is a member of my constituency in Renfrew-Nipissing-Pembroke. When the Premier announced that, the full expectation was that this was going to be released in time to deal with the 2008 budget. Can you tell us what the problems are there?

Mr. Peter Hume: I don't think they are problems. Both sides have recognized, and Mayor Sweet will tell you, that it's an incredibly complex issue. Both the municipal sector and the province want to ensure that we do the subject justice and present a proper consensus-based report. There's an expectation that it will be completed in the spring. It won't, however, we believe, be completed in time for this budget. So we're now asking the province to continue to do what it has shown that it did last August when it announced the uploading of ODSP, to continue to take steps towards that. The city of Ottawa is asking that the province consider uploading 100% of public health costs. Right now it's a 75-25 split. We believe that that's a reasonable expectation for the municipal sector to have.

Mr. John Yakabuski: On the long-term care issues, you talked about the CMI, the case mix index. I've wondered myself how this is a good way of funding homes, because it's a snapshot of a particular day and the makeup of your residences can change dramatically in a month. We're talking about aged people, some of them close to passing. That actually does happen, and then the needs of the people who fill those beds can be dramatically different.

I'm going to ask a couple of questions; maybe you can touch on them. How would we deal with that to better represent these needs and ensure that that funding is sustainable as well? You can have a snapshot on a particular day, and that's your funding for the year, and it may not represent what needs to be.

The other thing I wanted to ask about is the funding gap. Certainly, our member Lisa MacLeod has talked about a funding gap between the city of Ottawa and the city of Toronto, per household. I'd like you to touch on that if you could.

Also, if I could get a reaction—I know there was some controversy in your community, but the ministry went over your heads and decided to fund the crack pipe program that you people, as an autonomous council, decided not to fund. I know that it wasn't unanimous in your city, but once a decision is made in the city, regardless of how you felt on the issue, how do you feel about

the province coming in and telling you this is how the money is going to be spent? Some of that money certainly could be going to treatment facilities for addicts as opposed to crack pipes.

Ms. Diane Deans: There were a lot of questions there.

Mr. Peter Hume: We'll let Mr. Kanellakos answer the one about the case mix index, and then Councillor Deans will follow with the public health question.

Mr. Steve Kanellakos: For long-term care, I think that the issue really is the difference between providing funding for a range of services versus a fixed cost per resident. The homes do have very good information about what the resident mix is. Right now, the funding formula is based on what kind of services apply to each resident. I think that we need to try and standardize a cost per resident that takes into account the issues that are happening across the province, not just in our community. It would be clear if you looked at most long-term-care homes that the demographics are changing and we are all dealing with more dementia patients, which requires a higher level of care. I think that's the first recognition that we have to deal with.

Ms. Diane Deans: I think I'll—okay; we're trying to sort out who is going to answer all of those questions. On the question that you asked on the crack pipe program, certainly the committee that I chaired supported the program. As a whole, our city council made a decision to cancel it. My view, as the chair of that committee, is that the province has a responsibility for public health and if they feel that there's an area where we are not satisfactorily addressing it, then there may be a role for them. There could have been perhaps a little more consultation, but I think our council was quite divided on whether or not it was the right thing for the province to do.

Mr. Peter Hume: Briefly, just to continue, Ottawa and Toronto are unique parts of the province of Ontario, and the province has sought to recognize those, so I don't think it's a fair comparison to compare what Toronto does and what Ottawa does. What we're here to talk about are the funding gaps between our funding partner, which is the province of Ontario, and the city of Ottawa. We've outlined for you those changes that need to be made to fix that mix.

I'll just add, on the crack pipe program, that I think that the province of Ontario, in doing what they did, recognized their health responsibilities and have moved forward in that regard. We were acting as a board of health when we made that decision, and I don't think we were acting, quite frankly, within the reasonable bounds of a board of health, based on medical evidence. That's why our council is going to be presenting a report to the province to change how the board of health in the city of Ottawa is structured, and that's why we're making the funding recommendation to you today. We believe it's a provincial responsibility; it should be provincially funded. As a result of the decisions we're taking on health matters as a council, we're going to be asking the province to change the governance model hopefully to a more broadly based board of health in the future, to

recognize how important public health is to the citizens of Ottawa and the province of Ontario.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

1050

EASTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT CORPS.

The Chair (Mr. Pat Hoy): Now I call on the eastern Ontario community futures development corporations to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Dan Borowec: Thank you very much. My name is Dan Borowec, and I represent the greater constituency of the 15 community futures development corporations of eastern Ontario. Thank you for this opportunity today.

Among the commitments from your campaign platform, one of the first priorities as we look ahead to the 2008 budget should revolve around economic development in rural Ontario. Recognizing that individual regions of the province have differing needs, and in order to foster economic growth and job creation, the budget should reflect an investment in specific regional imbalances, which in turn could overcome what are often perceived as regional disparities. The most economical investment the province could make in eastern Ontario is an investment in rural broadband services for rural communities. Rural broadband service is infrastructure, and compared to roads and bridges, it is the lowest investment with potentially the greatest return for all of eastern Ontario.

The people of the communities of eastern Ontario are unable to get information as readily as their neighbours. It is only when one goes outside the community that one truly realizes the difference between the dirt road and the information highway. The broadband highway provides immediate knowledge related to health, education, world economic and business issues that impact locally. Seasonal and new residents, businesses and visitors look for this level of information, and the future growth of our new businesses demands it. Without broadband technology, businesses in rural Ontario will not be able to fully compete on a local or global level. Eastern Ontario lags behind the western portion of the province in terms of economic competitiveness in this area. New jobs and businesses are opening rapidly in fields that are technology-dependent, and we need to be able to provide investors who wish to locate in rural communities with a skilled workforce and access to high-speed communications. People cannot develop the skills needed to work in new jobs if the tools to learn are not provided for them. Businesses will not locate in rural communities without access to high-speed communications.

People in rural eastern Ontario are also unable to access distance education programs from their own homes due to the lack of Internet connectivity. It has be-

come necessary to constantly upgrade skills in order to remain employable. Young people want to live and work in a community that is progressive and provides them with the most opportunities possible. They study for positions in technology, and presently they must move to locations where they can apply that knowledge. The presence of high speed in their home communities may allow them to start businesses or work in local businesses that are using this technology.

Rural communities are having difficulty attracting new doctors, and our current physicians are overburdened. The ability to access credible health information through technology can assist to ease this burden on local health care systems, especially in rural areas, in answering some basic questions regarding treatment and care for individuals.

All levels of government services are providing information in various forms online, but people in some rural communities cannot access this information because their service is faulty, often timing out before the form can be downloaded. The process is not an effective way for these residents and businesses to receive government information.

Of all the priorities within the rural component of the platform, the support for rural broadband services is essential. It would be our request that the provincial government exceed its previous commitment of \$10 million to further invest in this critical piece of infrastructure and extend the term of delivery over a 24-month period. This would allow rural communities an opportunity to make greater provision within their own financial resources to accommodate public sector support. The 50% increase in your annual investment in the rural economic development fund that helps support businesses and entrepreneurs in small towns to create jobs and support local economies is an outstanding commitment to rural renewal. The support of the RED program to date has been exceptional, and increased platform commitment will reap significant return.

The creation of the \$20-million eastern Ontario development fund to attract investment in rural eastern Ontario can only increase the ability of rural communities to develop and will enhance the existing attraction strategies. It is critical that the funds support community development initiatives in an innovative manner, creating sustainable investment opportunities. It will be our contention that this fund would be grant-based and act as a catalyst for innovation and leadership in rural-based economic development initiatives.

On a broader spectrum, areas of consideration could be support to attract high-tech and biotech industries and begin focused efforts to support a skilled trades training link to local employer needs. With the current availability of physical plants due to manufacturing closures, an opportunity exists to utilize community assets as part of the attraction strategy. An investment in the existing workforce would act to complement the attraction strategy. The chief component of this approach is to make

available resources that create a culture for high-tech and biotech industries.

The creation of centres of excellence: The infrastructure currently exists to support enhanced centres of excellence within the area, especially directed toward the agro or bio-energy sector. Initial investment is required to further the research culture which has been developed.

To better coordinate economic development efforts, a coordinated approach with a regional thrust, supporting and identifying the area as having the industrial capacity and workforce availability, is critical. The need to utilize investment funds that can facilitate this coordinated approach that is working in tandem with the existing manufacturing associations and related entities will complete an overall attraction strategy.

An investment in capital pools that support new businesses and innovation would be a key element. In order to support the broader attraction strategy, there is a requirement for initial investment funds through capital pools. In attracting high-tech or biotech firms, there's significant requirement for patient capital in order to support initial research and development activities.

Finally, the establishment of Investment Ontario Inc. as an independent agency, modelled on successful agencies or efforts in other places such as Ireland and Georgia, will create the capacity necessary to develop business development initiatives in a rural setting. Since the intention of Investment Ontario Inc. will be to unite the government and the private sector to secure new investment and jobs, it appears there will be a vehicle by which this process can take place. We need to ensure that these platform commitments are supported by budgetary commitments as critical to the overall success to any rural economic development renewal in eastern Ontario.

Thank you for your willingness to provide consideration to these essential priorities.

The Chair (Mr. Pat Hoy): Thank you for your submission. The questioning goes to the NDP.

Mr. Michael Prue: Thank you very much for the submission. You started off by talking about the need for rural broadband. How much exists in eastern Ontario at this time?

Mr. Dan Borowec: At this juncture in time, approximately 25% of households in eastern Ontario are without connectivity. That represents about 250,000 households.

Mr. Michael Prue: You are asking for a relatively modest amount of money. You used the figure \$10 million?

Mr. Dan Borowec: That's correct. In the 2007 budget, an allocation of \$10 million was made for supporting rural connectivity in southern Ontario. Initial work that we had done had estimated that to provide connectivity throughout all of eastern Ontario, the total dollar amount was approximately \$40 million. The first \$10 million that was available through the 2007 budget was spread throughout all of southern rural Ontario. We had identified a \$40-million need specifically for eastern Ontario, and that \$40 million was public sector as well as

private sector contribution. So, the opportunity to request another \$10 million, or a figure that potentially exceeds that for eastern Ontario, would certainly make a significant difference in the level of connectivity.

Mr. Michael Prue: And the balance would be paid by other groups?

Mr. Dan Borowec: Private sector contributions.

Mr. Michael Prue: Okay. You went on to talk about hoping to get high-tech and biotech as a result. How do these two tie in? I guess because people get used to computers, and then they'd be able to get a job with one?

1100

Mr. Dan Borowec: That's part and parcel of the process. The other matter related to biotech, for instance, is that at this juncture in time there are numerous manufacturing concerns throughout eastern Ontario in particular which have research capacity. Part of this tie-in is that, without the initial infrastructure in place first, to then attract individuals who utilize that type of technology, it wouldn't be possible to make it go forward.

Mr. Michael Prue: You went on, toward the end, to talk about the experience in Ireland and Georgia. We've had other people talk about the experience in Ireland being primarily one of education: by funding higher education free of charge, things like that, to develop the Celtic Tiger. This is the first time I've heard about Ireland and broadband. Can you tell me what they did?

Mr. Dan Borowec: I can't. I was directing this one more toward the Investment Inc. opportunities that have been put toward the platform. I'm more familiar with the Georgia context in terms of how, using the Investment Inc. model, they've managed to segment various areas of the economy, from tourism to agriculture to real estate development to land reform, to try to provide an agency that would provide potential investors with every opportunity available to try to diminish the amount of red tape associated with increasing rural opportunities.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

The Chair (Mr. Pat Hoy): I call on the Catholic District School Board of Eastern Ontario to come forward. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. We would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. William Gartland: Thank you very much for providing us the opportunity to be here today. My name is Bill Gartland. I'm the director of education with the Catholic District School Board of Eastern Ontario. Sitting beside me, I have the vice-chair of our board, Nancy Kirby; and beside her I have Gordon Greffe, who's the associate director of education with the board.

Just to give you a sense of who we are, the Catholic District School Board of Eastern Ontario was formed

from three previous school boards. We have over 12,000 kilometres in our school board. We serve eight counties. We have 14,000 students and 50 schools—40 elementary schools and 10 high schools. To picture us, I always refer to us as the horseshoe around the city of Ottawa.

We do want to acknowledge, first of all, and thank the Ministry of Education for their support and certainly their assistance in terms of helping us implement programs and in terms of construction projects over the last many years. The board, though, does continue to have financial difficulties. That's why we're here today, in terms of providing you with some of our challenges, as we see them, and hoping they will be able to be addressed in the provincial grants this year.

I would now like to pass it over to the vice-chair, Nancy Kirby.

Ms. Nancy Kirby: Like most boards, as Mr. Gartland said, we do have financial concerns. We have about nine main areas that are of concern to us right now, but I'm not going to spend my few minutes talking about all of those. What I'd like to touch on are just the main areas that we feel the government could help us with.

The first one—and it has happened, I think, since the board was amalgamated—is the rural and remote funding, and in that funding is the geographic distance. Part of the grant says that if your geographic centre is within 150 kilometres of one of five main sites, then it affects your funding. Of course, our geographic centre is less than 150 kilometres from Ottawa, so we are adversely affected by this grant. For instance, we receive \$1.4 million for our rural and remote grant. Our eastern coterminous board and our western adjacent board both receive about \$3.1 million, and for anyone doing the math, that would probably be the amount that we're usually short every year in our rural and remote.

The other big issue is funding, whether it's for renewal or for capital. We have quite a few small schools that are old and need upgrading. Our five-year plan that was given to the government exceeded \$71 million. Our immediate needs that we are looking at for the next two years to bring our schools up to shape are \$31 million. Unfortunately, we currently receive \$1.5 million a year, so it doesn't offer us much chance to upgrade our schools.

We're also looking for the Good Places to Learn stage 3 as part of that funding. Stage 3 announcements were supposed to come out on September 7, and we're still waiting for those. Again, if we had the announcement, we would have adequate planning time as to where that Good Places to Learn stage 3 money would go.

The government of Ontario, in consultation with school boards, should undertake the design of a coordinated, transparent and objective capital funding program. We have to look at boards where you've got growth schools in certain areas but declining enrolment in others. The current new pupil place grant does not look at that. They look at boards that are growing. They don't look at where you may have growth areas but also declining enrolment.

I'm sure you've heard this before: the benchmarks. Right now we are funded at \$154 a square foot. I can tell you, our last school that we built was in excess of \$180 a square foot. The geographic adjustment factor brings us down from \$154 to \$151, and for some reason we're higher than that, so our geographic adjustment should be going up. Again, it goes back to the geographic area, being close to Ottawa. It assumes that if you're in a rural area, your funding is cheaper.

The last item I'd like to point out is that what we would like the government to do is equitable funding for all students. Right now, the legislation compares the grants for English public schools to English Catholic schools, and then French public schools to French Catholic schools. The legislation does not look at equity in funding for all four of those sectors. If you were to look at the grant structure for the four sectors, you would realize the inequity.

Currently, we are probably about \$2,000 per student lower in a granting formula than our—I can't call it our coterminous board—French language board, which, by looking at students, equates to a \$29-million difference in funding. We're not looking for \$29 million from the government, but what we're looking for is some change in legislation where all of the grants are based on all four sectors, not English to English, French to French. I think it is incumbent upon the government to look at all four—whether you're an English student, a French student, a public student or a Catholic student, that you have the same chance. Many of our English students have French immersion, and although we get the grants, the grants are not at the same level in order to buy the resources needed for our students.

Those are the main points. I've tried to rush through them so that we don't get cut off with our time. I'm going to ask you if you have any questions.

The Acting Chair (Mrs. Linda Jeffrey): You have more time if you want to continue, and we'll still have time for questions. Or if you're okay, we can go to questions.

Mr. Tim Hudak: How about supervision?

Mr. William Gartland: The biggest challenge surrounding supervision, and I appreciate you asking that question—as you are aware, there are tables actually being set now in terms of negotiations with the local federations' unions. As a matter of fact, I'm on the table team at the provincial level working with administration and support staff. But the challenge there is in terms of the framework that was given to boards in the middle of negotiations where we were forced to settle.

I'll give you an example. In our particular board, our teachers now have a maximum of 100 minutes per week, and in some schools that is extremely difficult to do. As a matter of fact, what we're finding is that some of our principals are doing up to 400 minutes a week of supervision. Principals are instructional leaders in our schools. They should be in the classrooms working with teachers, they should be helping deliver curriculum and assistance and those sorts of things, and they find them-

selves doing 400 minutes of supervision. So that's the challenge. We're hoping that that's somehow going to be addressed in the next round of negotiations or the framework that will come forward.

The Acting Chair (Mrs. Linda Jeffrey): You still have another minute and a half if you want to continue. Otherwise, we'll go to the government side for questions. Is there anything else you want to address?

Mr. William Gartland: I think we'll take questions. The package is pretty comprehensive and we do appreciate your time. I know a lot of people are talking at you today, so perhaps we'll just go to questions.

The Acting Chair (Mrs. Linda Jeffrey): Okay.

Ms. Sophia Aggelonitis: Thank you very much for your presentation and for coming here today. Mr. Gartland, I'd like to thank you for recognizing the good work of the Minister of Education in your opening remarks. Our government continues to make education a priority. We see smaller class sizes, we see higher test scores and now we see full-day learning for four- and five-year-olds.

In your presentation, you have many recommendations. One of the recommendations I'd like you to expand a little further on is recommendation number 6, in regard to revising the distance component.

Mr. William Gartland: Perhaps I'll ask our associate director to speak to that in particular since he's the money man.

Mr. Gordon Greffe: The actual formula to determine—

The Acting Chair (Mrs. Linda Jeffrey): Could I just ask you to identify yourself for Hansard, please, before you begin?

Mr. Gordon Greffe: Gord Greffe, associate director.

The actual formula—we've had some discussions with the ministry staff—we feel is erred in the logic. The way it's calculated is that the actual geographic centre of your board and the distance to a major city determines the amount of the grant. Because of our proximity to the city of Ottawa, we get a limited amount of grant recognized for that geographic circumstance grant. For example, Algonquin and Lakeshore board would receive almost \$2 million or in the \$2-million range more than we would because of its distance from Ottawa. We don't see the logic in how they would have additional incremental costs that would compensate for that additional revenue.

There's a graph, actually, at the back of the document that shows the different boards and the different amount of that geographic grant. It becomes quite evident, I think, that there's a large disparity in how that money is distributed.

Ms. Sophia Aggelonitis: Thank you for explaining that. I have no more questions.

The Acting Chair (Mrs. Linda Jeffrey): Any other government questions? No? Thank you very much, Mr. Gartland. Did you want to respond further?

Mr. William Gartland: Just in conclusion, once again, we do want to thank the Ministry of Education for all their support. We do feel we have a great working

relationship with them and they certainly do respond to our calls and concerns and so on. I certainly would acknowledge that. We, of course, are always looking to make things better, so that's part of the process.

The Acting Chair (Mrs. Linda Jeffrey): Thank you very much. We're going to take a short recess now. Our next delegation is not here.

The committee recessed from 1114 to 1117.

ELEMENTARY TEACHERS' FEDERATION OF ONTARIO, LIMESTONE LOCAL

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. I assume we have the next persons on our list, the Elementary Teachers' Federation of Ontario, Limestone local.

Mr. Mike Lumb: Yes, that's correct.

The Chair (Mr. Pat Hoy): Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard, and you can begin.

Mr. Mike Lumb: I'm Mike Lumb. I am president of the elementary teachers in the Limestone local.

Ms. Debbie Wells: I'm Debbie Wells. I'm the first vice-president of the Elementary Teachers' Federation of Ontario.

Mr. Mike Lumb: Thank you for the opportunity to speak today. My name is Mike Lumb and I am the president of the Elementary Teachers' Federation in the Limestone local. With me is my first vice-president, Debbie Wells. We are both elementary school teachers and represent approximately 800 teachers within the Limestone district.

To begin, we would like to extend our appreciation with respect to the steps the government has taken to bolster our education system since 2003. Specifically, smaller classes in the primary grades have allowed elementary teachers better instructional ratios for students to learn. However, more needs to be done with respect to building a strong and vibrant education system. We would like to highlight some specific concerns and recommendations for you.

The funding cuts imposed by the last Conservative government resulted in serious program losses and represented a major setback to public education in Ontario, especially at the elementary level. After a decade of public pressure, Dr. Rozanski's task force, and a Liberal government since 2003, education has seen a 17% increase in funding, which is substantial and welcome. We are rebuilding our public education system, and the government has made it a priority. Adequate funding is the key to ensuring a high-quality education for all students. Our schools are good, and getting better, but more can be done.

ETFO remains concerned about the discrepancy which exists between funding of secondary students and the funding which is targeted for elementary students. This

gap in funding has created a two-tiered education system, and it is this point that I wish to address first.

Historically, a student-focused funding formula has placed a higher value on secondary students than elementary students. In 2007-08, the gap in funding between an elementary and a secondary student is \$711. We also understand that this gap is narrowing with this government's focus on education and mending the damages done in the previous decade. In 2003-04, this gap was \$1,318. That's a 46% improvement in four years. However, \$711 is still a significant amount, and this shortfall represents a barrier to ensuring that all elementary students receive the high-quality, well-rounded education that our elementary students also deserve to be successful.

In the Limestone district, that equates to \$9 million locally that elementary students are not funded. This means fewer resources in elementary classrooms, fewer specialist teachers for elementary students, and less preparation time for elementary teachers. A considerable number of ministry initiatives aimed at improving student achievement have been put in place in the last several years. Our teachers have continued to embrace the new ideas and have kept abreast of the new programs and professional development necessary to stay current and raise student achievement. Student success is dependent on better funding for elementary education so that school boards can afford to hire the numbers of teachers they really need to reduce class sizes in junior and intermediate grades and to provide the kind of planning time that is necessary for teachers to prepare and assess.

There seems to be no rational explanation to explain the difference in funding between the two panels. Most of the line item differences in the foundation grant are inexplicable, particularly since it's on a per-pupil basis. Why is staff development per elementary student \$1 less than per secondary student? That small difference means a loss of \$1.25 million to elementary education. Why are textbooks and learning materials funded at \$27 more per secondary student than elementary student? This means \$34 million is not available for elementary resources. Why are classroom supplies funded at \$105 more for a secondary student? That is a loss of \$131 million for elementary classroom supplies. Why are classroom consultants funded at \$6 less for each elementary student, a loss of \$7.5 million? Elementary students receive \$14 less than their secondary counterparts for classroom computers, a loss of \$17.5 million. We are wrestling with these data and find no explanation for the differences.

The Liberal government has acknowledged that the gap in funding is problematic by having addressed 46% of it since 2003. It has also promised \$150 million to assist students in grades 4 to 8 to cover the course of this mandate. We look forward to the next step in reducing the gap further and hope that an even longer-term plan will be forthcoming to address the overall discrepancy.

In terms of declining enrolment, elementary projections for the Limestone schools show a steady decline. This is also true for about six boards across the province

in addition to a number of Limestone schools that are located in small communities some distance away from the next school. Many buildings are in poor condition and indeed have been deemed prohibitive to repair. Although it's obvious that some of these schools will need to close because of enrolment, the newly created consolidated schools will need to offer a better alternative.

Specifically, each school should have a full-time teacher-librarian. In spite of the government's current emphasis on literacy, few elementary schools in the province have teacher-librarians, whose role is to assist students with literacy and research skills. Limestone elementary schools do not have any teacher-librarians, but rather a few hours of library educational assistant time, usually shared with other schools or duties, which comprises the sum of this kind of support. None of our elementary schools even qualify for funding for a teacher-librarian. Elementary students are disadvantaged by this per-pupil approach to funding.

The funding for guidance teachers is also insufficient for even the grades 7 and 8 classes to receive support. Once again, the per-pupil funding model does not allow most elementary schools to generate even one tenth of a guidance teacher. Elementary school students have real social issues which, if addressed, can set students on the right path at an early level. Waiting until high school can be too late to correct problems in a number of situations.

If the government is serious about improving high school graduation rates and it is serious about its focus on ensuring that students who struggle academically receive the individual support to succeed, then more resources need to be allocated to elementary programs and staff that support students at risk. Many at-risk students learn best through hands-on learning. While our generalist teachers in Limestone do the best they can, nothing can compare with the potential that an elementary student can achieve with smaller class sizes and specialist teachers who have the time and resources to provide for those who need extra assistance. I hope the government will move quickly on making some change for junior and intermediate classes by imposing an appropriate class size cap. Given the recent report on safety in Toronto schools, we would be foolish to ignore the fact that smaller classes and more teachers could alleviate the stresses. This is not just a big-city problem.

In relation to intermediate grades, with reference to intermediate students specifically, there has been much news around the province with regard to moving them into secondary schools. We find it odd that economic consultants are being hired in some district school boards to tell us that we need to close schools and move 7 and 8 students into high schools, all to solve a financial burden. We would hope that good pedagogy and respect for the needs of the adolescent learner would guide this decision and not simply the bottom line. Elementary students belong in elementary schools with elementary teachers. Research shows that elementary schools promote stable relationships between students and teachers, provide an

intellectually stimulating and co-operative environment, and enjoy a higher level of parental input than secondary schools. Research also indicates that students from 10 to 15 show gains in math, language and reading when they attend small schools with lower student-teacher ratios and shared teaching. Rather than transferring young students to secondary schools, school boards should work with the Ministry of Education to ensure public elementary schools receive the necessary resources to offer a wide range of programs which build students' success.

Minister Wynne has told the press that the province wants to graduate more well-rounded students and has hinted at the government's plans to reintroduce the kind of hands-on experiential learning that keeps kids engaged in school. She was talking about designing tech classes, family studies and arts programs and guidance support in the latter elementary years. This is an opportunity to go back to teaching the whole child. We look forward to the return of these kinds of programs, the specialist teachers who will need to teach them, as well as the important infusion of funding to pay for them. Most teachers in a building provide supervision and a safe environment for our students. This is the bottom line.

To sum up, there is general need for more in the public system. We understand that it can't all be done within the four-year time frame of a government's tenure. However, elementary teachers have been patient and worked with this government during their last term in office. We are, once again, hoping for some bold moves from this government because every study ever done in any country has shown that long-term investment in young children pays off. Let's build schools, not prisons.

Debbie, you had some other comments.

The Chair (Mr. Pat Hoy): You have about a minute left.

Ms. Debbie Wells: I'll have to speak fast, then.

We're also concerned about the growing inequality of opportunity that exists within the public school system. I'm sure that others have brought to your attention the growing gap between the rich and the poor in this province. When a decade of education underfunding is added to families' low-paying jobs and social service cuts, a two-tier education system starts to grow. Parents are asked to pay for school supplies, class trips, many things, even textbooks. The lack of money in many homes translates into inadequate child care and a general lack of support for children's homework or cultural and intellectual stimulation. Some homes don't have books, magazines and computers, and many parents don't have time to engage in cultural outings. The cuts to social services are felt almost immediately in the classroom. Students who require extra help and attention are not receiving them often in the school.

The cutbacks to children's mental health mean that there are students in elementary classrooms who need therapists. The education system is not equipped to do all the testing, placement and treatment of children who need it. Teachers aren't trained as therapists, and schools are not treatment centres. When teachers are forced to

program for students with mental health issues, then the students who are at risks academically—the students whom we are trained to work with—don't receive the attention and the programming that they're supposed to have. The cuts to the student support teachers and the educational assistants only make this whole situation worse.

For me to sum up: When families have needs that aren't met, the education system has always tried to step in. Teachers run breakfast programs, we collect winter clothing, we fundraise for trips, we keep kids in our classrooms before and after school, often so that parents can meet job responsibilities, we risk allegations of abuse in trying to deal with children who have serious problems with anger and violence, and at the same time, of course, we're trying to teach. That's why the teacher federation is also so firmly in favour of a universal child care system, more support for community agencies and a minimum wage that people can live on, because once you're in the classroom, everything is connected. Thank you.

The Chair (Mr. Pat Hoy): Thank you for your submission. This round of questioning goes to the official opposition.

1130

Mr. Tim Hudak: Thank you both for the presentation this morning on behalf of the Limestone district Elementary Teachers' Federation of Ontario. Just before you came in, the Catholic District School Board of Eastern Ontario—I know, not your board—had talked about the supervision issue, that currently the collective agreement with the teachers requires the boards to assign each teacher no more than 100 minutes of duty per week. That was something that was imposed by the Minister of Education, as opposed to a local negotiation. They point out that their concern about that is that principals have taken up to 400 minutes per day of supervisory duty. What's your view on this issue, and is it an emerging concern about the lack of supervision in our elementary schools?

Mr. Mike Lumb: I think it has allowed teachers to do the work that they really want to do. We've had great success locally in implementing that decision. Certainly, principals have always been out in the yard, even when there was that supervision before and those caps were put in place. So locally we've had good success but there have been no issues in terms of students being at risk and not being supervised. I'm not going to speak for the principals themselves, but I know that when I was in the classroom for many years, the principals were always out in the yards anyway.

Mr. Tim Hudak: The principals' council raises this as one of their major concerns—

Mr. Mike Lumb: Yes.

Mr. Tim Hudak:—that principals are now taking up to 400 minutes' duty per week. What was your collective agreement before the 100-minutes ceiling was imposed?

Ms. Debbie Wells: It wasn't addressed. We had teachers doing up to 300 minutes a week.

Mr. Mike Lumb: They were doing as much supervision time as they were doing teaching time—

Ms. Debbie Wells: In a day.

Mr. Mike Lumb: —and that's really expensive supervision. I think probably for us the biggest issue with the principals is being in the building. When we have situations at the office, there's nobody to call upon because they're out on other committees, they're taking lieu days, and it's quite a problem for us.

Mr. Tim Hudak: You say it's an expensive mode of supervision as principals are an expensive mode of supervision.

Mr. Mike Lumb: Absolutely. What I always refer to is that you don't generally see lawyers doing the photocopying, right? So it's expensive.

Ms. Debbie Wells: We do have paid supervisors.

Mr. Tim Hudak: I was going to ask you if there's another way of addressing this issue.

Ms. Debbie Wells: Yes, and they are difficult to get in some communities, but it could be, I'm sure, overcome by a half-decent wage.

Mr. Tim Hudak: You mentioned some areas where you want to see the funding formula improved. When this change was made on the supervisory time, my understanding is that there wasn't a resultant increase in funding for people like supervisory assistants and that sort of thing. Do you know if that's—

Mr. Mike Lumb: We traditionally have had paid school supervisors in Limestone, so it made it not so much a difficult task for us to achieve those goals here. I know other boards allocate money in different areas, but in some cases it has been difficult to find people in certain communities to come out and do the job. They want the supervision, but nobody is really willing to do it, and that becomes part of the issue. But we've had pretty good success here with people in the community coming to do paid supervision.

Ms. Debbie Wells: One more thing, just in terms of the concerns: Most of our schools in the Limestone District School Board have 80 minutes; 100 are required and they're making an effort to get it down to 80. We do have some principals who do yard duty, but we have many who don't. I think some of the principals have always done yard duty. They're not in a classroom. It's one of the ways they get to meet the children.

Mr. Tim Hudak: My last question: One of the issues that has popped up in the media quite a bit is the notion of black-focused schools in Toronto. This may not be something to be considered in the Limestone district, but there are aboriginal-focused schools, those types of themes. From a pedagogical point of view, do you have any opinion on this type of approach to education?

Mr. Mike Lumb: I don't think we have a position on that, and certainly locally I understand and I'm very much aware of the diversity in Toronto, except that here in the Kingston area we're pretty well United Empire Loyalists. We haven't seen the diversity to the extent that they have in Toronto. So it really hasn't become an issue of discussion here. I really don't know if I can answer

that for you, although I'm aware of reading it in the media and that. Deb, maybe you have some comments. Deb is also the president of the labour council.

Ms. Debbie Wells: I think the education system has always tried to address difficulties that occur, and clearly there has been a difficulty that has occurred. There seems to be a need in many people's minds for focused schools, whether it's the Tyendinaga high school or whether it's a black-focused high school. This is something that I feel school boards should work out with communities, because I think in the long run schools will be successful if they work with our communities.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Mike Lumb: You got our handout—

The Chair (Mr. Pat Hoy): Yes, we have. Everyone will have it.

Mr. Mike Lumb: Super. Thank you.

TOWNSHIP OF LEEDS AND THE THOUSAND ISLANDS

The Chair (Mr. Pat Hoy): Now we will hear from the Township of Leeds and the Thousand Islands. Sir, you have 10 minutes this morning for your presentation. There might be up to five minutes of questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Frank Kinsella: Sure. First of all, I want to give you a thousand welcomes to the Thousand Islands. I'm Frank Kinsella and I'm the mayor of Leeds and the Thousand Islands, of which we have 950 of the islands, so that should give you some indication. I've provided a map at the front of the handout to show you where we are. The handout is being given out to you.

Basically, why I am here—I went on the website, and the standing committee on finance and economic affairs is empowered to consider and report to the Legislative Assembly "its observations, opinions and recommendations on the fiscal and economic policies" of the province of Ontario. What I am requesting is that you set up a random audit of provincial fiscal and economic policies to see how well the province and municipalities are able to carry out the intended, implemented and achieved policies. The intended is what we set out to achieve, the implemented is what we are doing to achieve it, and then to accomplish—I've got an old copy that I didn't revise. What we stated to be achieved actually occurred. If these costs exceed 10%, then a review should occur to answer why.

Specific examples: Ontario Works. The question I've been asking county council is, "Why does it cost 50% more than the provincial subsidy to administer the program?" Every month, this question has been asked. The response: "Before the community and social services committee department can open a file on a person, over 800 points have to be"—have you got one more handout?

The Clerk of the Committee (Mr. William Short): Yes. Which one do you need?

Mr. Frank Kinsella: This one here. I've gone through so many revisions on this. I had to vet it through the administration, and so they told me what proper words to use here.

So every month, this question has been asked. The response: "There are over 800 rules governing this program. The paperwork is very, very demanding." Why?

This is our projected and actuals as of September, 2007, for Ontario Works. What you'll see is that we get revenues from the provincial subsidies. The budget is \$10,792,000, and our projection is \$10,740,400. If you look at the expenditures, we spend in total close to \$4,869,000 administering a \$10-million program. You'll see that that then is broken down because at the county level we have a joint services committee, so we have three designated towns as well as the 10 municipalities. What happens is that we split out that cost of \$4,869,900. I said, "You and I should be asking our respective departments, why are these costs so? What do we continue, stop or start?"

Public housing stock: The Township of Leeds and the Thousand Islands pays 19% of the county bill. We are concerned about the cost of maintaining and meeting provincial standards regarding the 667 public housing stock that was given to the county. We are told that we must maintain this exact number of units. When we were calculating fair market rent for some of these units, capital replacement costs could not be included. That really caused me concern, because where are you going to get the money for capital replacement?

1140

So where will the monies for capital replacement come from? As this is some of the oldest housing stock in Ontario, we know that the replacement cost will place a tremendous burden on residential taxpayers. Creating a capital reserve should be part of the calculations.

Water and sewer systems for small municipalities: The requirements placed upon small public water and sewer systems have become too demanding. In Lansdowne, a small village with 300 users, their average yearly costs for water just to meet the demands of the MOE is over \$1,000 per household. This cost is going up as the Ministry of the Environment demands increase. So the question becomes, how safe is safe?

It is easy to impose standards but costly to implement them. Please monitor the requirements placed on municipalities. I refer you to appendix A, which is a report from our engineers that for us to look at our sewage treatment lagoon, just to do the study, is \$85,000, and that's going to tell us that we have a problem. We know we have a problem. But the requirements are that we need the study before we can go anywhere.

The next one is the landfill sites and monitoring. I don't know about you, but since being elected I have spent more time on landfill sites than anything else, and what are we doing with our waste?

For monitoring and reporting we spend \$70,000 a year, just for that function, and then they're proposing another \$162,500 for a long-term management strategy,

and that's before we do anything. So what's happened is that we've got to foot a substantial amount of money going out of our coffers for reports, but it doesn't help us do anything or achieve anything.

The Development Charges Act requires that the township prepare a background study to verify if the current development charge is still the correct amount or if it needs to be increased or decreased. This is required every five years by the act. The quotes to do this survey range from \$10,000 to \$50,000, and I can tell you that the majority of them were at \$40,000 to \$50,000. So I asked how much money we actually get back. Because we have a major asset, and it's called waterfront, we are a growth township; in the last two years we've experienced about \$24 million worth of growth each year. Prior to that, though, we didn't experience that amount of growth. What happened was that our development charges—we would have paid more for the study than what we would have collected in development charges. I don't think that's a good return on investment.

The appeal: I am not asking the province for more money. What I am asking is that this committee set up a mechanism to monitor the cost of implementing the well-meaning laws and regulations passed by the provincial government. The intention is to reduce the growing financial burden on the provincial and residential taxpayers created by the need to implement and achieve so many diverse programs. Daily, we should be asking, "What do we continue, stop or start?"

The Chair (Mr. Pat Hoy): Thank you very much for the submission. The questioning goes to the NDP.

Mr. Michael Prue: You are here before the finance committee. Have you taken this issue to the Association of Municipalities of Ontario? They are meeting on these selfsame issues with the minister, I believe, this week.

Mr. Frank Kinsella: Yes, I have. It's an interesting balance, because when you come with the administration, the administration establishes relationships with the various government departments, and if they have a great deal of co-operation going, then nobody wants to upset the applecart. So what happens is that at various points you get vetoed or they say, "Well, maybe that's not a good question to ask." I guess I'm a little persistent and I keep asking the question. So I'm just putting forth the agenda that we all need to stop and monitor our costs.

Mr. Michael Prue: In reality, though, you are asking the government members who make up the majority and sit on this side to, I guess, go around the minister and what he's attempting to do, or go give a different perspective to what the minister may want to do.

Mr. Frank Kinsella: In what way is that going to—

Mr. Michael Prue: By asking to set up alternative committees to what he is doing with AMO—random audits.

Mr. Frank Kinsella: I don't think I'm asking for alternative committees. What I'm asking for is that we start to audit. When you get reports or you start to look at reports and you start to see that, "Okay, here's our subsidy, but this is how much it has cost to implement it,"

and the cost of implementation is greater than 10%, to me, what I'm asking is that you red flag it and say, "Okay, this is maybe an area that we should study." I'm not asking that you start another committee; I'm just asking that when you look at your expenditures and revenues when they come—I mean, you can ask the municipalities, for instance, in Ontario Works: "Here's how much you get. How much are you spending to implement it?" If it's congruent or consistent among all the municipalities across Ontario that we're getting X number of dollars and we're spending half of it on implementation, I think that just indicates that we've got a problem. That's all I'm asking: that you just set up some mechanism by which we can monitor that.

Mr. Michael Prue: Monitor, find out how much it is, and if it is too expensive, too onerous on the municipalities, to have it reduced?

Mr. Frank Kinsella: Yes, and go back and ask, "Why have we got so many restrictions or questions being asked of a program that it caused the implementation to be so high?" I mean, Ontario Works—basically, we're to distribute \$10 million to people who are in need, but the cost is \$5 million to do it locally. My question is, why does it cost us \$5 million?

Mr. Michael Prue: Good question.

The Chair (Mr. Pat Hoy): Thank you for your submission before the committee.

The committee recessed from 1146 to 1300.

EASTERN ONTARIO WARDENS' CAUCUS

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. We'll begin our afternoon session. Our first presentation will be by the Eastern Ontario Wardens' Caucus. You have 10 minutes for your presentation. There might be five minutes of questioning following that. I'll give you a one-minute warning at the end. If you would just identify yourselves for the purposes of our recording Hansard.

Mr. Ron Gerow: Thank you, Mr. Chair. My name is Ron Gerow. I'm the chair of the Eastern Ontario Wardens' Caucus.

Mr. Doug Struthers: My name is Doug Struthers. I am the past chair of the Eastern Ontario Wardens' Caucus.

Mr. Larry Keech: Larry Keech, chief administrative officer, county of Lennox and Addington.

Mr. Bill Pyatt: I'm Bill Pyatt, CAO for Northumberland county.

The Chair (Mr. Pat Hoy): You can begin.

Mr. Ron Gerow: Thank you very much and we appreciate the opportunity to be here today and make this presentation. We have some handouts, which we have provided to everyone. Our presentation today is going to be based on the pre-submission to the minister.

A really quick overview: The map on the overhead that you see there represents the area that we represent, which is basically the 13 counties in eastern Ontario. We have some copies of our prosperity plan, which was

handed out to the public just about a year ago now. There are four copies here for anyone who would like a copy of that. We also have four copies of the pre-budget submission itself for circulation.

The two gentlemen Mr. Keech and Mr. Pyatt are going to make the presentation, so without further delay I am going to turn it over to them.

Mr. Bill Pyatt: Thank you very much, Ron.

Good afternoon, members of the standing committee. It's my pleasure to be here.

I'd like to give you a bit of background, a context, for eastern Ontario. While we cover a very large geographic area, we actually have a relatively small population of only 700,000 people. So when you look at what the actual population density is, it's only 17 persons per square kilometre. We're further challenged by the fact that our income levels are well below the provincial average. If you compare us, for example, to western Ontario, our per-person average income is \$2,000 per year less. When you look at a family, it's around \$5,000 a year less. So we end up having a very small property tax base.

Again, to put it into context, for every square kilometre, eastern Ontario has \$1 million of assessment, while western Ontario has \$2.5 million, or two and a half times the assessment. When the former highways were downloaded to the upper tiers, eastern Ontario got 40% of the total kilometres, as did western Ontario, but you can see they have two and a half times the ability to pay for those downloaded highways.

Over 90% of our assessment is residential. Less than 10% is actually commercial and industrial. Again, when you look at some of the western Ontario municipalities, they're in the range of 78%, which speaks to ability to pay. We've had very limited assessment growth; we're much more like northern Ontario. It has been less than 2% per year for the last six, seven years. When you look at the county level of government, our average tax increase for each of the last five years, for all 13, is 8.1% per year. That's each and every year we've had to raise taxes to accommodate downloaded services. This year in Northumberland county, our preliminary budget is 9%.

Our approach that we've taken at the wardens' caucus to advance our issues is to prepare a report called Future Directions, copies of which are available on our website. We've taken a region-wide focus. We thoroughly analyze situations in our various program areas. We actually go to the trouble of paying an independent auditor to verify that all of our information is correct, and that's Allan and Partners in the Perth area. While we highlight problems, what we always feel is important to do is to provide workable solutions, some options, and have some concrete measures that can be taken. We always have recommendations for improvement, and they're usually very workable and very practical. Our goal is to come up with solutions that promote long-term viability and sustainability of our governments.

For 2008, the wardens' caucus has two focus areas: They are the looming infrastructure crisis and the need for fiscal sustainability. As we were preparing our recom-

mentations for this pre-budget submission, what we relied on very heavily—Warden Gerow referred to that—was our prosperity plan for eastern Ontario. It was published about a year ago, and it had 51 specific recommendations across a range of program areas. Again, it is the basis of this submission for you today.

To summarize our recommendations, we grouped them into two areas—again, the infrastructure crisis—and I'll briefly review them.

The building Canada fund: We would very much like to see the provincial and federal governments get together to finalize that for Ontario. Again, it's infrastructure-critical for us.

We would like to see the province expand the gas tax revenues to include all municipalities. Our public transit is our road system. We've got very long highways with very few people on them. We'd like the province to consider repatriation of some of the former provincial highways, obviously establishing criteria on which to base the examination, but hopefully that's something that could be considered. We'd like to see you establish permanent allocation-based funding for roads so that we could effectively plan year to year, come up with programs where our contractors know roughly how much money will be out there and being spent so they can plan for their resources as well. We very much appreciated the first round of broadband funding, but we still have huge areas of eastern Ontario without coverage. We'd like to see at least a two-year continuation of the provincial broadband program. As an example, in Northumberland county we have less than 50% coverage for high-speed Internet, which is a real challenge for us.

We'd like to see further capital funding support for social housing expansion and replacement. Again, a specific example in Cobourg, in our county: We have a four-year waiting list. We're really struggling with the fact that all of our social housing units are 40 to 50 years old and are in need of major infrastructure investment. That's a concern for us.

With respect to fiscal and economic sustainability, we're very much looking forward to the completion of the Provincial-Municipal Fiscal and Service Delivery Review, which I know we're looking to see completed over the next three months.

We would like to see a payment-in-lieu program for unimproved crown lands. That's a huge issue for some of our counties where 50% of their landform is crown land, and they get no revenue, and they have major highways going through them that they have to maintain.

We'd also like to see the minimum investment threshold removed for eligibility for the advanced manufacturing strategy. Certainly, there would be an emphasis on supporting those projects that focus on job retention and growth.

We'd like to see the province review its support programs for research, innovation and commercialization to ensure that our agricultural stakeholders are considered in this. In Northumberland county, the number one industry is agriculture, and it's very similar throughout

the rest of eastern Ontario. We want to be sure they're considered.

Finally, we'd like to see the provincial sales tax removed on municipal expenditures through some sort of a rebate program.

That covers our list of recommendations to you. I'd like to turn it over to the past chair, Doug Struthers, to summarize.

Mr. Doug Struthers: I actually won't summarize the whole presentation, but it's always important to not only thank you for the opportunity today but also for what has been done in the recent past. As you can see on this slide—granted, over a period of time—it's the reduction to a uniform level of commercial and industrial education tax rates; the \$20 million per year for the next four years of the eastern Ontario economic development fund; Move Ontario, \$400 million; last year, the RIII, \$70 million, and then I believe it was doubled to \$140 million; and then this year the rollout of the MIII, the municipal infrastructure investment initiative, \$300 million.

Particularly, I also want to thank you for the upload of the ODSP and the ODB. It's a reasonable approach to do it over a period of time. To us, not only is that a significant step, it is also a significant signal that the process, in partnership with AMO, for the Provincial-Municipal Fiscal and Service Delivery Review will not only be completed in a timely manner—and it is our understanding that it will be the spring, which by definition goes till June 21. If we're going to do it, let's do it right the first time to ensure that it's not just about reshuffling the debt but resulting, from the municipal perspective, in immediate, significant financial improvements for municipalities so that we can continue to prosper and add to the wealth of the province of Ontario.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will go to the government and Mr. Rinaldi.

Mr. Lou Rinaldi: It's good to see you again. We saw each other a couple of weeks ago.

First, let me say to you that in the past four years or so that I've had the opportunity to serve as the member for Northumberland—Quinte West, and having met with you a number of times, I thank you for all the work you do. You've certainly brought forward the challenges of eastern Ontario, along with some other members who are here today who represent those areas, in a really detailed manner, so that I think we're able to start moving forward on some of those issues.

I know my good friend John would like me to ask a question, and I will get to that.

One of the challenges that we find, in co-operating with you folks, is, how do we descramble an egg overnight? That's been a challenge for us as a government. There are a lot of priorities.

A question that I think would make our lives easier on all sides of the House is, as we look at the challenges that eastern Ontario faces, in allowing us to try to deal with some of those issues, it's always good to know—and in

your presentation I believe you mentioned that we did move forward on some of those issues. What kind of difference have some of the changes that we were able to accomplish in the last four years made to the communities at large, not necessarily to any particular county? Because what that tells us on all sides of the House is, if we're going in the right direction and it's making a real impact, obviously that's the way we should go. You talked about your tax rate municipally, at the county level—substantially every year. What would have happened if nothing had happened?

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Mr. Doug Struthers: If I might put it in perspective, while staff are consolidating an answer, if we were to do nothing on the broadband gap—think of it this way: Broadband in the 21st century is what the telephone was in the 20th. I don't know that we need an answer specifically, but it gives you maybe a subjective sense.

Now that staff have had a couple of moments—

Mr. Bill Pyatt: I could refer to one example: land ambulance funding. We were at 35-65 two or three years ago and it's now at 50-50. For Northumberland county, that's about \$1.5 million a year, so if you put that in terms of a tax reduction, that's 5% on our budget right there alone, and then certainly with some of the other programs with respect to social services and roads. We would have, I know, been up in the 11% tax increase per year for the last five years if it hadn't been for the relief that was provided, and we quite appreciate it.

Mr. Lou Rinaldi: I don't have any further questions, just to thank you for your advocacy for eastern Ontario. It's certainly helped us as government to try to move the yardsticks, and I look forward to your input. This is very good stuff, so thank you very much.

The Chair (Mr. Pat Hoy): Thank you for your submission. If you would leave that for the clerk, he'll make copies to ensure that every member gets one.

Mr. Doug Struthers: Just so you understand, it's the details behind the presentation plus the copies of the eastern Ontario prosperity plan. There are four sets here. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you.

SOCIAL ISSUES NETWORKING GROUP

The Chair (Mr. Pat Hoy): Now I call on the Social Issues Networking Group to come forward, please. Good afternoon. You have 12 minutes for your presentation. There may be—

Mr. John Yakabuski: Ten.

The Chair (Mr. Pat Hoy): What did I say, 12?

Mr. John Yakabuski: You said "12."

The Chair (Mr. Pat Hoy): I wrote 12 down at the end of the last one.

You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Ms. Marijana Matovic: My name is Marijana Matovic, and I'm here today on behalf of the Social Issues Networking Group.

The Social Issues Networking Group, or SING, is a coalition committed to finding solutions to and taking action on issues that affect people living in poverty. SING emerged in 1998 as the Child Tax Action Coalition hoping to end the clawback of the national child benefit supplement. The efforts of the coalition resulted in the development of the Kingston Entitlement Access Program, wherein the city of Kingston returns the 20% of the clawback they receive from the province to the families on social assistance. Since then, SING has met with success on a wide variety of poverty and social justice issues.

We are encouraged by the newly re-elected government's commitment to a poverty reduction strategy, the local government finance reform, the dental care program, full-day kindergarten, an affordable housing strategy, post-secondary education, public transportation, local food and greener energy. These new initiatives are steps in the right direction that need to be incorporated into comprehensive plans with ambitious targets.

We believe that the areas of primary focus for this budget should be the long-neglected issues of poverty, local government finance reform and the environment.

We don't believe that the solution to our environmental and energy problems lies in modernized nuclear capacity, as was suggested in the throne speech. We are supportive of economic growth through the development of local environmentally friendly strategies and technology.

Moving to local government finance reform: Thus far, nothing has been done to address the unsustainable provincial-municipal financial relationship introduced and maintained by previous governments. Many municipalities in Ontario have been forced to raise taxes and/or raise money through increased user fees in order to meet obligations such as social assistance and affordable housing.

With 38% of Canada's population, Ontario accounts for 88% of local government spending on housing within the nation and 95% of Canada's municipal spending on social services. The discrepancy between the budget forecast and the year-end final results in the past three fiscal years has ranged between \$3.1 billion and \$4.5 billion. It is time for the province to reassess and reclaim its responsibility for payment transfers.

Having said this, we turn to issues of poverty, which are directly within SING's mandate. According to the Statistics Canada report *Income Trends in Canada, 2005*, 14.5%, or over 1.7 million, of the people in Ontario live in poverty. Low-income families are living in a deeper state of poverty now than during the early 1990s. The average low-income family would need an additional \$9,500 to \$11,000 a year to bring them up to the poverty line.

According to the 2007 financial outlook and fiscal review, Ontario invests \$8,000 a year per single OW case

and \$11,712 a year per single ODSP case. According to the same report, the province invests \$57,000 a year per corrections inmate.

Currently, a single person on Ontario Works receives a total of \$606 per month when we include GST and the property and sales tax credit, an amount expected to pay for shelter and all other needs. This yields a total annual income of \$7,205, which represents only 41% of the LICO poverty line. Allowing such depths of poverty tacitly creates conditions for criminal activity as a survival strategy.

Like other anti-poverty groups across the province, we are concerned with persistently high rates of poverty, despite strong economic growth over the past 10 years, in one of the world's most affluent countries. There is growing Canadian and international evidence that government leadership is necessary if we are to implement a comprehensive poverty reduction strategy.

This budget should provide the specific targeted funds to support an open, accessible, wide-ranging and inclusive consultation process that will allow for the cabinet committee on poverty reduction to develop a meaningful poverty reduction strategy. Newfoundland and Labrador created an inter-ministerial committee to guide its poverty reduction strategy. We urge the government to provide a budget for a similar inter-ministerial body to ensure that solutions to diverse issues don't collide, but that ministries be laterally supportive. For example, it is crucial that any environmental strategy doesn't further endanger the already overburdened citizens living in poverty.

Employment: Economic circumstances began to deteriorate rapidly for Ontarians working for low wages when the minimum wage was frozen in 1995. The average annual increase in the minimum wage of 29 cents during the 1986 to 1994 period plummeted to two cents during the 1995 to 2003 period. Had the rate of increase in the minimum wage remained at the level of the 1986 to 1994 period, the minimum wage in Ontario in 2006 would have been \$10.18. Using the 29 cents annual average formula, the minimum wage in 2012 would be \$11.92.

We recommend that the government commit to increasing the minimum wage to \$11 per hour by 2011, with the immediate implementation of annual indexation tied to inflation. In addition, dental care and drug benefit plans should be established for low-income workers unlikely to have coverage through their employment.

We recommend that this budget fund the Ministry of Labour to update the Employment Standards Act in order to ensure that the growing number of contract, temporary and self-employed workers be afforded the same protection as full-time workers and to engage sufficient oversight to provide proactive inspections leading to prosecution for non-compliance.

With the employment insurance program, the emphasis should be placed on an overhaul of the entire system, which currently leaves many people in all of the provinces without financial support. The province should

advocate that program eligibility rules return to pre-1988 levels and for regulation extension in response to the growing part-time and contractual work reality of the labour market.

Social assistance: Taking into account inflation, social assistance rates are lower today than they were when the government took office in 2003, in spite of the 2007 increase. Current rates are devoid of reality. A person with an income of \$606 a month is expected to afford a bachelor or one-bedroom apartment at an average rent of \$665 and \$787 respectively. An effective anti-poverty strategy must include adults without children.

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We recommend an immediate increase to social assistance rates in a minimum order of 10% in anticipation of an independent committee establishing what should be the rates that reflect the actual cost of living. In addition, social assistance rates should be immediately and permanently indexed to inflation and supplements such as back-to-school and winter clothing allowances should be kept in place until rates reflective of the cost of living are established.

We also recommend that a flat rate exemption be applied to earnings before any deduction to income and/or rent increases for public housing are introduced.

Ontario's investment in affordable housing is actually lower now than it was during the first years of the new century. The province must develop a comprehensive affordable housing strategy with funding allocations and annual targets for the construction of new affordable homes, new supportive homes, home renovation for low-income households, and rent supplements. We recommend that an additional 1% of the provincial budget be dedicated to affordable housing measures. The government must also reclaim responsibility for the municipal share of social housing program spending.

With respect to child care and education, we recommend that over the next 10-year period, public investment be made to build a high-quality, regulated system of early learning and child care for all children aged zero to 12. We recommend a moratorium on any further tuition increases, and proliferation of the needs-based grants to make higher education more accessible. Training programs matching current labour demand should include ongoing financial support for those moving from welfare to work.

Finally, turning to tax revenue, the cost of the previous government's tax cut legacy to Ontario's fiscal capacity is in the billions of dollars a year. If the current government fails to address the inherited diminished fiscal capacity, it intimates a tacit endorsement of the former government's budgetary strategy.

Ontario must accept the fact that the federal government has chosen to reduce its revenue base by billions of dollars through GST rate reductions and corporate income tax cuts. The government should embrace this as an opportunity to implement changes to the tax system within the province. The current provincial income tax system, with a maximum rate at less than \$80,000 in

annual income, aggravates rather than alleviates the growing inequity. Introducing levels of taxation for annual incomes of \$100,000, \$150,000 and \$250,000 respectively would engender new tax revenue in the order of \$1 billion a year and would be an honest shift towards reducing the ever-widening income gap.

The Chair (Mr. Pat Hoy): Thank you for your presentation. The questioning will go to the official opposition.

Mr. John Yakabuski: Thank you very much for joining us this afternoon with your presentation.

You talked about your position on dealing with the environment and energy, and you made it clear that you're opposed to the province proceeding with a new nuclear build.

Ms. Marijana Matovic: Yes.

Mr. John Yakabuski: Where would your group suggest that we get the energy if we don't proceed with that?

Ms. Marijana Matovic: The group would suggest that we look into alternative sources of energy such as wind power, relatively clean power derived from water resources. Not only is nuclear power a big danger, but it's potentially a big financial burden. As people in Ontario already know when they look at their bills, there is that charge that everybody is paying for—something that's already there for decades.

Mr. John Yakabuski: For OW rates, you suggested an immediate increase of 10%, and tying them to inflation. There was a submitter here earlier today who suggested that those rates need to be increased by 40% to 50% in order to bring them in line with where they would be if they had never been reduced in the past. Your position would be that 10% is sufficient to bring them where they need to be?

Ms. Marijana Matovic: No, that's not our position. Realistically speaking, we are talking about this year's budget and only certain allocations can be made, and 10% would definitely bring us closer than where we are right now. Obviously, increases of 2% or 3% are not sufficient right now; 10% would mean at least some relief for those families. But we would hope that eventually those rates would be built up to where they really should be.

Mr. John Yakabuski: You talked about child poverty in Ireland and how the rates have been reduced to about 5%. You also blame tax cuts for the current economic problems in Ontario. Most economists worldwide would agree that the biggest impetus for the growth and the success of Ireland's economy in the last several years was massive tax cuts.

Ms. Marijana Matovic: First of all, Europe generally has a bit different approach, where they are having more of the transfers, whereby they give to families who are on low incomes various subsidies for certain things, or tax breaks, as opposed to increasing taxes. However, in North America, both the US and Canada are more prone to having taxes. By now, the gap between the rich and the poor has increased so much that the only effective mea-

sure to deal with that inequity, that huge gap—because that gap is one of the social determinants of health—is to actually introduce taxes for those high brackets that are not even recognized right now.

Mr. John Yakabuski: So your request is for additional spending. You're recommending, too, that the sources for that be taxation on only higher-income people—not manufacturers, not businesses.

Ms. Marijana Matovic: Exactly. People who are bringing home \$250,000 probably should be in different brackets than those people who are bringing \$80,000 for their families.

Mr. John Yakabuski: So what should we be taxing those levels of income at?

Ms. Marijana Matovic: That's really beyond what I am ready to respond to right now.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

For the committee, the 1:30 presentation has cancelled. We'll recess until one of our presenters arrives.

The committee recessed from 1328 to 1337.

ONTARIO SCHOOL BUS ASSOCIATION

The Chair (Mr. Pat Hoy): The committee will now resume its afternoon hearings. We have the Ontario School Bus Association willing to present at this time. We thank you both, gentlemen, for being prompt and keeping our committee moving along here today. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Vaughn Richmond: I'm Vaughn Richmond. I'm southeast district director for the Ontario School Bus Association.

Mr. Mike Casey: Mike Casey, director, Ontario School Bus Association.

Mr. Vaughn Richmond: Good afternoon, and thank you for the opportunity to present today. Again, my name is Vaughn Richmond. I'm a director of the Ontario School Bus Association and operate Richmond's School Coach in Belleville.

The Ontario School Bus Association represents 170 school bus companies operating 14,000 vehicles across Ontario. We transport 800,000 students to and from school safely every day. Our members are primarily family-owned businesses, with more than 60% operating 20 or fewer vehicles. We are proud that our members have long-standing ties to the communities they serve. We are advocates for safe, reliable student transportation.

Last week in Timmins, my colleague Patrick Dwyer focused on the funding model for student transportation. Obviously, making the funding more predictable and better reflecting the true cost of operating a school bus will help operators to make long-term capital investments in new and safer school buses.

Today, I want to focus on the issue of driver wages. It is not often you hear an employer arguing that their em-

ployees need to be paid more money, but that's precisely what the Ontario school bus operators are saying.

Our drivers are the lifeblood of our industry. The driver checks vehicles to ensure they are in top working order every morning. They supervise as many as 80 students, in some cases more, while intervening when necessary to ensure children are safe. They make certain their young charges are met by the authorized caregiver at the end of each day. But our drivers are grossly underpaid based on their qualifications, their experience and their responsibilities.

I have passed around, included in the brief, a simple chart that compares school bus drivers to other similar positions. I'm not certain; it may be on the back of the handout. As you can see, school bus drivers earn an average of about \$11 an hour. Compare to that hall monitors who make between \$11.50 and \$12.50 an hour, or crossing guards who make between \$11 and \$14 an hour.

In addition to the brief, I'd like to bring to the minds of the committee that provincial statutes will increase the minimum wage up from \$8.75 in 2008 to \$10.25 an hour in the year 2010, which is going to put us very close to minimum wage for drivers at that point, if our wages don't move.

But where we are losing a lot of our drivers is to municipal transit. As you can see on the graph, municipal transit drivers make around \$25 an hour, more than double what a school bus driver makes. What makes matters worse is that a school bus driver must be far more qualified than a municipal transit driver. I've circulated in the brief a comparison between the school bus driver and the municipal transit driver which illustrates their differences.

To start with, a school bus driver must be 21 years of age, while a municipal transit worker can be 18. School buses require a class B licence or an E licence, which are more difficult to get than a class C licence that a municipal driver can use.

A school bus driver must be first aid- and CPR-trained. We're also expected to administer EpiPens for allergies and whatnot to students. A municipal transit operator does not have to do any of that.

A school bus driver must have a criminal record background check done. Again, we don't see that with a municipal transit driver.

A school bus driver has to manage up to 80 children and intervene to protect student safety. A municipal transit driver is not responsible for passenger behaviour. He or she simply calls 911 if trouble occurs.

A school bus driver must exercise care to ensure younger students are met at the drop-off point by an authorized parent or caregiver. A municipal transit driver simply opens the door.

School bus drivers are also responsible for monitoring traffic and directing students when to cross roadways. Municipal transit drivers have no such responsibility.

A school bus driver must inspect their vehicle daily, with 44 inside and outside mechanical component checks. Transit drivers do not have that responsibility.

Is it any wonder we are losing good people to other positions with more money and fewer responsibilities? You might ask, why do people stay as school bus drivers, then? The answer is that they basically like working with the students. There is a real sense of reward that comes with seeing the same children grow up over the course of a year or even a decade.

We want to keep good people working as school bus drivers. Stats show us that experienced drivers are safer drivers. The number of preventable accidents drops rapidly after the first year on the job to almost none after a few years in the industry. For that reason, driver wages is a safety issue. The rapid turnover of staff in our industry is leading to fewer experienced drivers, and according to our stats, that may be impacting the number of preventable accidents that are not avoided.

You might say, "You are the employer. You need just to pay your workers more." The challenge we have is that our industry is funded almost completely by school boards with a budget determined to the penny by the Ministry of Education. Unfortunately, the ministry's budgeting is based on models of what it costs to run a school bus that include wages at this low level.

Members of the Ontario School Bus Association would be pleased to pay our staff more. But it can't be done without the Ministry of Education recognizing the need for higher driver wages in their calculations of student transportation funding. The Ministry of Education needs to address this critical issue of student safety. Good drivers leaving our industry is a real challenge. Only the Ministry of Education has the tools to fix the problems.

At that, I thank you very much. My colleague and I would be happy to take any questions.

The Chair (Mr. Pat Hoy): Thank you. We'll go to Mr. Prue of the NDP.

Mr. Michael Prue: School bus drivers, when I see them, they're both men and women. Is there a predominance of one over the other? I'm thinking here about an employment equity issue. Are more bus drivers women today than men?

Mr. Vaughn Richmond: I would say it's fairly evenly split. With the longer runs, we have seen a bit of a demographic change; with staggered bell times, more hours on the bus. A lot of the mums aren't able to work because they still want to be around with their family duties, so you do see more semi-retired people. By and large, I think it's fairly split, and it's been fairly constant that way over the years.

Mr. Michael Prue: There are many low-paying jobs in Ontario. Unfortunately, most of them have to do with children, whether it's child care workers or school bus drivers. When you work with children, you sort of work for less wages. Should the government be instituting a similar program to that which they did for child care workers to up the wages?

Mr. Vaughn Richmond: I'm not familiar with the child care wages per se. I can tell you that at one point, the training in our industry going back a number of years ago wasn't such as it is today. My personal experience

with training my people—I put in, I believe, 70 hours training for these people. So it's not just a simple process of "Hi, how are you? We'll stick you behind the wheel and if you can do okay, we'll get you licensed." Now there are training programs that we must run through, so the level of requirements that an individual must meet as a candidate has certainly grown tremendously over the years.

Mr. Michael Prue: Are the wages in large cities like Toronto or Ottawa any different from wages in rural areas, or are they pretty much the same?

Mr. Vaughn Richmond: I'll let Michael tackle that. He's with—

Mr. Mike Casey: I've got operations throughout different parts of Ontario that I oversee. In Ottawa, for example, we are exactly at the \$11 an hour average for a driver right now.

When you look at what's gone on as far as school bus driver responsibilities compared to 10, 15 years ago, it's quadrupled in my view. As we have more school boards look at consortia and shared busing between school districts and we look at more multiple routes through staggered bell times and doing with one bus what three used to do, I think the challenge has been trying to capture some of those savings to put back in the driver's pockets. If some sensitivity can be put toward that at least, that may help the situation. If you look at multiple routes and saving on the capital costs and having extra buses out there, it'd be good if some of that can go back into the driver's pockets.

If you look at the responsibility relative to dropping children off, it's not the simple matter of just picking them up and dropping them off. They have to be prepared to administer EpiPens, first aid and CPR, and make sure that they match up with the parents at the stop.

There are variables out there too that people may not know. For example, on Monday, Wednesday and Friday, you may have to drop off little Sally at grandma's, but Tuesday and Thursday, unless it's raining, she goes home. If we don't have continuity of driver, those variables that our communities need become tougher to take care of.

Mr. Michael Prue: What is the turnover rate? What percentage of drivers would you lose every year either to other transit companies or they go out and get another job that pays more money doing anything? What's the turnover?

Mr. Vaughn Richmond: I would say it runs as high as 30%, which is very hard to handle. It does fluctuate from year to year. Personally, my last year's turnover was 22%, and that's difficult, to get that many people in the seat and try to keep that continuity of safety rolling.

Mr. Mike Casey: The other thing we need to keep in mind is that there is a new law relative to hours-of-work legislation that school bus drivers have to adhere to. That has put them in a situation where they have to look for other employment that will not see them impacted by hours-of-work legislation.

1350

Don't get me wrong: We don't want sleepy drivers. But municipal transit drivers—who do a great job—do not have to comply with hours-of-work legislation. They make twice per hour what a school bus driver makes. These drivers have to complete forms and submit them, and if they don't have them with them on the bus, they can be charged \$300 or \$400, and they're now going to the Home Depots and call centres for employment to avoid getting into that. Because of the hours-of-work legislation, we've had a lot of good people who've had to move on to other career opportunities that will not see them laid off three times a year, that will not see them with increased demands and lower pay.

We're here today to see what we can do to keep the good people we need.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Vaughn Richmond: Thank you very much for your time.

The Chair (Mr. Pat Hoy): Thank you for stepping up a little early; we appreciate it.

Mr. Vaughn Richmond: We're always on time.

Mr. Mike Casey: We can leave now to go do our school runs.

PEOPLE FOR A BETTER OTTAWA

The Chair (Mr. Pat Hoy): Now I call on People for a Better Ottawa to come forward, please. You have 10 minutes for your presentation; there could be up to five minutes of questioning. I would just ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Shellie Bird: Thank you for this opportunity to present. I am Shellie Bird, and this is Linda Lalonde; we will be co-presenting. We are both active members of People for a Better Ottawa.

The goal of People for a Better Ottawa is to work with city council to build a city that is caring, inclusive, healthy, diverse, culturally vibrant and safe—a city we can be proud to call home.

People for a Better Ottawa is a broad-based coalition of individuals, community groups and agencies across the city of Ottawa that wants to protect and enhance the quality of life for all residents. We have been working together since 2004 to engage city residents in municipal issues, in consulting on municipal budgets, and in municipal elections.

Over the past 10 years, it has become clear that large cities cannot deal with the increasingly complex needs of growing and diverse populations on funding frameworks of the past. Large cities have become the economic engines of our province yet do not have the means to fund massive service and infrastructure costs to meet the needs of their populations.

City governments receive eight cents from every dollar Canadians pay in taxes, yet they deliver 60% of services, while senior levels of government walk away with 92 cents from every dollar. This is unacceptable and

needs to change. Federal and provincial budget surpluses are coming at the expense of large urban cities and the majority of Ontarians who live in them.

If the province is serious about poverty reduction, it must begin by addressing the needs of its cities. It must fully support the costs to cities so they can run effective programs and services that can expand and grow to meet the needs of growing populations.

It is clear that our city cannot rely on property taxes alone to make ends meet. There is urgent need for long-term funding arrangements that are predictable and sustainable. Our city, like others, needs new and creative revenue-generating strategies. Property taxes are a regressive form of taxation for funding vital health and social services. This needs to be fixed. Cities need greater powers for raising revenue such as: municipal income or sales taxes; municipal lotteries; events and hotel taxes; vehicle taxes; municipal bonds; and access to a fair share of sales and income taxes.

The province must take steps in the 2008 budget to immediately upload the costs of public health, housing, child care and settlement services. It must take steps to ensure that user fees for public transit, recreation and access to services do not create barriers for residents. Poverty reduction strategies must include funding to cities so that all residents are able to access important cultural, health and community events. Services for the public good should be paid for by taxes, not user fees.

Residents of Ottawa, like those in Toronto, want to make sure that the right level of government is looking after the appropriate programs and services, that each government's responsibilities are clear, and that they receive adequate funding. The funding and delivery responsibilities that were downloaded onto municipalities should be partnered with increased funding or access to new revenue sources.

Community health and social services that our city is responsible for delivering to residents are the first line of defence against poverty. If the province is going to be effective in addressing poverty, it must begin to address the chronic funding shortfalls faced by its municipalities. Large cities cannot be left on their own to deal with the growing costs of vital services such as youth services, child care, housing, mental health, addiction programs, supportive housing and public health without increased and sustained funding.

Early learning and child care in Ottawa has been ravaged by the effects of provincial downloading and neglect. Downloading of costs and delivery responsibilities for child care has left huge gaps in the funding arrangements between the city and the province. The 80-20 cost-share arrangement for this program stands at something like 70-30, leaving our city to find unfunded costs for this program from other scarce city revenues or through regressive cost containment measures. Added to this is the effect of underfunded Best Start child care spaces. The cost of a space in a large urban area runs at about \$10,500, while the province is only providing \$7,000 toward the cost of these spaces. There is every

expectation that without immediate relief from the province to cover its fair share of the costs for our child care program, we will face service reductions in 2009. And this is just one service of many that the city is unable to sustain without new revenue or new tools to help them fund and deliver programs and services that residents have come to expect. It is unacceptable that cities are being forced to dismantle essential services in a vain attempt to match revenues with expenditures.

Ms. Linda Lalonde: I'm going to talk about strengthening society.

The government has committed to the creation of a provincial poverty reduction strategy, and a ministerial committee is already looking at how it will be developed. We have seen the incredible progress that has been made in other places around the world and, closer to home, in Newfoundland and Labrador when a government follows through on its commitment to reduce poverty. The benefits are far-reaching and encompass all parts of society, not just the low-income population.

This budget and each of the next three budgets must contain a minimum guaranteed investment that would set aside a block of \$25 million in new money—and I emphasize new, not recycled, money—to be available to implement the elements of the strategy as they are developed. This would give us an investment in poverty reduction of \$100 million by the 2011-12 budget.

In order to get the strategy off the ground, the government should identify initiatives to be implemented in the first year of your mandate that require minimal legislative change and/or not a lot of money. By the last half of the budget year, the planning process will have progressed to the point where major initiatives can begin.

It is imperative that the poverty reduction strategy be developed in a way that, while it has some province-wide components such as increases to social assistance rates and the minimum wage, allows for locally developed solutions. The province must provide funding to municipalities and school boards—that's on behalf of the Ottawa school board; they couldn't make it here in this weather—so that they may respond to the needs in their communities. As the levels of government closest to the residents of Ottawa and other communities across this province, they are uniquely situated to develop and deliver programs that are not cookie-cutter or one-size-fits-all, but custom-designed and community-responsive.

On public health, this budget must include, as a first step to uploading the funding of provincial services, the transfer of responsibility for public health funding from the municipalities. Smaller municipalities can ill afford to carry the costs of proper public health programs on their limited tax base. We saw the tragic results of this in Walkerton and see the consequences as communities try to implement the regulations put in place in its aftermath. The SARS crisis showed us other weaknesses in the system which will, again, take years to fully recover from. Imagine if SARS had happened in Thorold, Kenora, or even in Ottawa—all communities without the public health infrastructure of Toronto. These are just the

most public of the examples of why public health needs to be delivered at a local level but funded and, more importantly, managed and coordinated provincially.

1400

It is also important that the operation of the services remain at the local level so that the municipality can integrate public health initiatives with housing, social assistance and other human services as well as with public works operations. Every resident in every community across Ontario should have public health services appropriate to the needs of their community. Municipalities should not be funding public health to the detriment of other necessary public services. These costs should be uploaded in their entirety in the 2008-09 budget. This would allow a period of transition in the remainder of 2008 so that municipalities could set up the appropriate administrative structures for January 2009.

To sum up, Ottawa needs the federal-provincial-municipal fiscal structure to be reformed so that the costs of providing services are fairly distributed both among residents and among governments. The province must give the municipalities the tools to build and maintain the social, environmental and fiscal structures our residents require.

When you build, with the people, a better Ottawa, a better Sioux Lookout, a better Barrie and a better Mississauga, you will have built a better Ontario. Thank you.

The Chair (Mr. Pat Hoy): And thank you. This round of questioning goes to the government.

Mr. Charles Sousa: Thank you very much. We appreciate you being here and doing the work you do.

You mentioned some of the things that we've done. I can talk about the minimum wage increase, affordable housing, dental health care, child care space increases, the Ontario child benefit—a lot of initiatives that we're undertaking, and obviously a lot more is necessary.

You mentioned \$25 million—I'm just trying to cost this thing out now. In Ottawa specifically, what is the number that you're looking for? Is \$25 million what you estimate will be required?

Ms. Linda Lalonde: We're talking \$25 million province-wide, specifically for poverty reduction, in new money. That would be over and above any reshuffling of money that is already being spent by the government.

Mr. Charles Sousa: And you talk about wanting to work together. That's important. How has it been over the last four years for you in dealing with government now?

Ms. Linda Lalonde: We've had some successes and we've had some not successes. That's part of the vagaries of working with politicians. You're lovely people, but I think part of it is just building up the culture of working together, and we have been able to move quite far in that direction.

Mr. Charles Sousa: I believe that had a lot to do with the work that you and others have put forward. It's an important aspect, extremely important, in everything that we've done. I'd say that 40% of those who appear before us is as a result of poverty and the issue of the most

vulnerable, so I appreciate that you did, and we'll try to keep it up. Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

The Chair (Mr. Pat Hoy): Now I call on the Association of Canadian Financial Officers to come forward, please. Good afternoon, gentlemen. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard, and you can begin.

Mr. Milt Isaacs: Good afternoon. My name is Milt Isaacs and I'm a certified management accountant with over 30 years of combined experience in the public and private sectors. Since the spring of 2001, I've been the president of the Association of Canadian Financial Officers, an organization representing financial officers working in the federal government.

As the president of this association, I sit on the board of VenGrowth, the largest Ontario labour-sponsored investment fund, with assets amounting to close to \$900 million. A number of other unions, also supporters of labour-sponsored investment funds, have agreed to my representation of their views on this issue.

You should know that there are close to 700,000 members of Ontario labour organizations that sponsor LSIF. With me today I have representation from two of these unions: I have the Canadian Police Association, Pierre Collin, and Eddie Gillis from the Professional Institute of the Public Service of Canada.

It can be said that I speak on behalf of groups representing hundreds of thousands of unionized employees throughout the province. It can also be said that we represent hundreds of thousands of investors in labour-sponsored investment funds. In total, we represent investments of more than \$3 billion in the province of Ontario.

In September 2005, the Ontario government announced that it was cancelling its tax credit for investments into LSIFs. This decision was a surprise to us and, in our opinion, was based on a limited appreciation of the benefits that this program has to offer to the Ontario economy. At that point, we engaged the decision-makers and presented information that was overlooked on the initial assessment. We appreciated the leadership demonstrated as they took a course correction and decided that, instead of eliminating this program, their approach would be to phase it out. It was our understanding that this change of course would have allowed the government to review the program and in the future reconfirm the tax credit. We felt that the tax credit should have been confirmed and even increased, not just reinstated for a few years. Today's economy needs stability, not decisions made on the fly without full consultation.

In December, a decision was made to extend the program for another year. While we appreciate the effort,

you must understand that extensions of a year at a time do not allow us to invest in companies for the long term, as we have to be mindful of our investors' interest in possible exit strategies. We need a commitment from this government. We need a long-term commitment that will allow us to invest in Ontario's future economic development.

The approach taken to introduce change to the LSIF tax credit concerns us because the government has not consulted unions, yet we are the legislated sponsor. Decisions on a program like this should only be made after close consultation with all those involved, appropriate studies, and a very good understanding of what the impacts of the decisions will be.

We felt that the government would take advantage of this respite in order to study its position. However, we were very surprised, when we met in March 2007 with senior bureaucrats from the finance department and the Ministry of Research and Innovation, to see that they were still basing their opinions on biased and out-of-date reports and limited data when it came to LSIF.

We felt that the Ontario government was on the right track when then-Minister Greg Sorbara told us in Ottawa that the government would "look back at the steps it has taken in regards to LSIF and see how, in the future, they can be involved in the venture capital market in Ontario." This encouraging statement was later confirmed by e-mail. We acknowledge that it would probably have been easier for the minister not to backtrack or promise to change his 2005 decision. We recognize that all programs need to be reviewed on a regular basis. We are ready to collaborate with the government. This type of co-operation is needed to make a successful program more successful.

Labour-sponsored funds represent the majority of venture capital investments in Canada and in Ontario, providing much-needed seed funds to a number of small companies with great ideas that in the end showcase Ontario as the hotbed of new technology fuelling our economy. We have invested in over 200 companies, created at least 27,000 high-value jobs in Ontario, lowered the unemployment rate by almost half a percentage point in the province, and supported companies with over 75,000 employees. The case of Research in Motion is one that we all know and can appreciate. This is only one example of LSIF involvement in Ontario's economy. It is important to note that many companies that are now able to commercialize their groundbreaking technology have been funded in part by LSIFs.

LSIFs tend to target investments that other venture capital firms would not. Through the tax credit, you are not supporting competition between LSIFs and other companies, but actually helping sectors of the economy that would not otherwise receive support. Also, it would be hard to talk about LSIFs without mentioning the management expertise that we bring to small companies on the verge of making it big. Without our guidance, some of these companies may not have been able to move forward and be as successful as they have been.

This type of expertise cannot be replaced by banks or government officials.

Thanks to the expertise of our fund managers and other funding groups, including those from the United States, who have partnered with us to invest in some Ontario firms, we've brought hundreds of millions of dollars into our economies, dollars that would not be there had we not been involved.

1410

Due to labour-sponsored investment funds, Ontario has drastically increased exports. A sample survey of about half of the companies having received LSIF support shows that their exports were over \$1.5 billion.

Our return on investment is better than any other mutual fund, which is by itself a great achievement when you consider that we invest in high-risk start-up companies. It is even a good return on investment for the government since, for example, one year's worth of provincial tax revenue due to LSIFs was over \$350 million, a number that far exceeds the cost of the Ontario tax credit. The 2004 Allen study stated that the government's costs should be recovered in the same year. Not many government programs can claim that same success.

We understand that the Ontario budget is not unlimited and that when you create a new initiative you need to look at other programs and see where cuts can be made.

Finally, we understand that in 2005 the budget situation was difficult and that the province was trying to balance its books. Minister Sorbara told us in March 2007 that when he looked at the books in 2005, cuts needed to be made but that maybe cutting the tax credit for LSIFs was not the right decision. We agreed with him.

We urge you to stop the rolling-of-the-dice strategy. By this, we mean that the government should not suddenly cut funding to a proven provider of venture capital to a vulnerable yet vital sector of the economy in order to create its own fund which may or may not work in the future. We feel that there is room for both.

We believe that Ontario needs to continue to help LSIFs and even increase the tax credit. This has been done by New Brunswick and Saskatchewan; why not Ontario?

Let me quote the Saskatchewan Minister of Industry and Resources: "Saskatchewan residents want to see their investments at work in the province. It's a great program all around. The funds build companies and jobs and contribute to building a stronger economy." He also stated, "These funds also provide a great mechanism for people to reduce their personal taxes while promoting economic growth." This last statement was made four months after the Ontario government began the phase-out of the program.

We need to support programs that work. The LSIF program works. We need to move forward together in a positive way.

The economy is uncertain. Talk of a recession south of the border have economists fearing the worst for our own

economy. Job losses in various sectors of the economy have had a devastating impact on some communities.

What Ontario's economy needs is stability. What our businesses require is long-term certainty. They need to know that they can count on LSIFs to support the development and commercialization of their ideas which could be the next BlackBerry or a medical device that will help save lives.

Ontario needs to decide whether it will be leading the pack in terms of the new economy or whether it wants to follow others. It needs to decide if it wants high-tech firms to stay or move out of the province.

This is why we are requesting that this committee recommend that the tax credit for labour-sponsored investment funds be confirmed and that the announced phase-out be cancelled. We're also asking this committee to recommend that the government sit down with us, the labour movement involved in LSIFs, to look at the program and see how it can be improved in order to meet the needs of the 21st century.

Are labour-sponsored investment funds perfect? No. Can they be improved? Yes. Should we work together to improve this program and continue to deliver jobs and revenues to Ontario? Absolutely.

The Chair (Mr. Pat Hoy): Thank you for the submission. We'll go to the official opposition. Mr. Hudak.

Mr. Tim Hudak: Thank you, Mr. Isaacs, for the presentation today. Could you just remind me what the current phase-out schedule is?

Mr. Milt Isaacs: I believe it ends in 2012.

Mr. Tim Hudak: So when you say it has been postponed for a year, the initial step of that phase-out has not happened yet, or it has just been postponed past—

Mr. Milt Isaacs: It is phasing out now. There's a reduction in the level of tax credits that you get in each year. I forget exactly what those phases are.

Mr. Tim Hudak: And the credit is upon money that you invest into the LSIFs, as opposed to the profits that come out of it.

Mr. Milt Isaacs: Right.

Mr. Tim Hudak: You mention on your last page, I guess it's page 3, that it's better to continue with LSIFs, which is better than the government creating its own fund which may or may not work in the future. I think you're referring to the province's considering its own type of investment fund for research and innovation. I think that was announced just a month or so ago. Why do you feel that the current LSIF model is better than what the province is currently proposing?

Mr. Milt Isaacs: I don't know. It's a different program; I wouldn't say it's better. The benefit that you get with LSIF—we do a couple of things. One is that we have available to us other management teams in companies that were already invested in. That management, CEOs, CFOs, COOs, is available to us. In terms of, can we really prove it, it's unknown, but in terms of what LSIF has to offer versus what seems to be the program that is being presented, we have that aspect.

Mr. Tim Hudak: You may not know any more than members of the committee do, but I remember the announcement that the Premier and the Minister of Research and Innovation made with respect to the new fund, and I'm not sure how that fund is going to operate. The province has put some money into it, but are you aware of the mechanism that's being used by this new proposal? I'm trying to understand the difference between the approaches, I guess.

Mr. Milt Isaacs: The only thing I know about the new proposal is that when it was initially talked about, it was almost a shared responsibility. They were looking for, I believe, the institutional funds and angel investors to come up with a certain amount of money. I believe the amount was \$90 million or \$300 million at one time and then it was back to \$90 million because they didn't find any interest out there. What you're trying to do with \$90 million is compete with, or replace, in my view, a \$3-billion industry that has a proven track record.

Mr. Tim Hudak: Another point you make that I just want to explore is on your second page, where you talk about how LSIFs tend to target investments that other venture capital firms would not. How can you make that point? How do you know that other venture capital approaches wouldn't fund particular projects?

Mr. Milt Isaacs: There's an obligation, there's a commitment, on LSIF when you bring labour to the table, that's sort of the unique aspect that we bring in, those components. Our focus is in that area, where institutional funds, their area is really primarily the bottom line in terms of the profits within those funds, so there isn't a commitment within that structure that they have to concern themselves with the social implication of where they invest. They're really focused on the return on investments.

Mr. Tim Hudak: Could you maybe give an example of an LSIF-sponsored project that wouldn't necessarily be taken up by a venture capital fund that has that social element built in?

Mr. Milt Isaacs: I couldn't give you a specific company but I can give you the approach, if that would help.

Mr. Tim Hudak: Thank you.

Mr. Milt Isaacs: One of the things that we look at when we're investing into companies is sustainability of those jobs. For example, I sit on the investment committee in VenGrowth, and one of the challenges that we put forward to the funding manager is, "What is the HR strategy for this company moving forward? How many folks are they going to employ? What percentage of those folks are what we consider sustainable and sort of a high-end, meaningful employment, as we refer to them, and what commitment does that company have to that? What are the benefits in around there? What element is this particular commercialization exposing to risks? What are the market plans?" So you can bring forward a marketing aspect of a particular product they want to commercialize, but we examine the available markets for those. Then, once you do that, you also say, "Well, what is it then that you need as a workforce, and is that market

sustainable? If the market's sustainable, then this workforce should be sustainable." Then you should be able to therefore provide meaningful employment, sustainable, and also the benefits, so there's a social application to it as well. That's what we bring in the labour-sponsored investment fund.

Mr. Tim Hudak: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

For the committee, the 2:15 has cancelled.

1420

ALLIANCE FOR MUSIC EDUCATION ONTARIO

The Chair (Mr. Pat Hoy): However, in the room we have the Alliance for Music Education Ontario that will present. You have 10 minutes for your presentation; there may be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Jim Palmer: My name is Jim Palmer. I'm president of the Ontario Music Educators' Association. I'm here today representing the Alliance for Music Education Ontario.

I'm appearing before you today to bring new life to a message you have heard before. I suggest to you that this message can help save lives in our schools.

In November 1997, more than 3,000 anguished parents who believe music is a crucial and indispensable element of modern education hand-delivered a letter to their local Scarborough MPPs which said: "Like all parents in Ontario, we judge the quality of our lives, and the character of our leaders, on the basis of many factors. One of the most important at all times in this province's history—and never more than now—is the quality of the education our children receive. John Dewey, the great educator, said that, what the wise parent wants for his or her child, society must want for all children."

Those words resonate today, a full decade later, when media headlines scream out about youth violence, disengagement and despair. What those wise parents wanted then and still want for every child is a safe school and caring, qualified teachers delivering an enriching, balanced curriculum which includes music education. They have seen just a few of the many studies that show that music has a significant effect on a child's development. Perhaps more importantly, they know that in today's society, school music programs connect young people to their community, and this is what many of them are seeking today. Every child who joins a gang looking for a sense of belonging could be joining a band or a choir. A choir is, in fact, a gang of singers, but it's a gang in which they can find their identity and purpose in a positive environment—positive for themselves and for their community.

I'm a parent of four children and a teacher with 24 years of experience. I appear before you today on behalf of the Alliance for Music Education Ontario, of which

the OMEA is a founding member. Other member organizations include the Canadian Music Industry Education Committee, People for Education, and the Coalition for Music Education in Canada. The American Federation of Musicians Canada, representing thousands of professional musicians nationwide, supports our beliefs and principles as well. Together, we represent thousands of Ontarians from across this province. It is a unique, grassroots collaboration of organizations committed to finding ways to ensure the delivery of quality music education to all Ontario children, regardless of their economic status, geographic location or skill level.

In our ongoing effort to assist the Ministry of Education, in May 2007 the Alliance for Music Education Ontario presented a brief to the minister. Our brief was distributed widely and has been well received and posted on many websites; every director of education has received it, as well as provincial education associations and organizations. It has been presented to the Ontario College of Teachers and faculties of education in the province, as well. A list of the key recommendations is attached to your brief. We believe the recommendations, when implemented, will help the government ensure that every child in Ontario has the music education he or she deserves. While the recommendations raise policy and regulatory issues under the authority of the Ministry of Education, the Ontario government must first commit sufficient and targeted funding to music. When this happens, the education ministry will have the resources it requires to fully implement its existing and newly revised world-class music curriculum for the children of Ontario.

The link between sound education policy and economic prosperity is universally recognized, as demonstrated by the significant and admirable commitment to improving education made by this government in its first term. However, the demonstrable link between the arts, and music education specifically, to both sound education policy and economic prosperity has largely been overlooked or ignored by successive provincial and federal governments. The neglect and decline of public music education in Ontario clearly demonstrates a fundamental misunderstanding of the wide-ranging socioeconomic benefits of investing in the development of a universally accessible music program.

Countries such as Hungary, Japan and the Netherlands, whose children continually rank highest in world scientific achievement tests, consider music an integral part of their school curriculum and provide funding and resources to support it. Here in Canada, other provinces, particularly in the Maritimes, have made that link. Newfoundland requires every high school student to complete two music or fine arts credits—double the Ontario requirement—and has incorporated an elementary music curriculum which celebrates and promotes its heritage. It targets specific resources and funding to each school district to provide a music specialist teacher for each school, regardless of location. It has done so because the province recognizes the connections between

music and culture, and culture and the province's economy.

Ontario's government also recognizes this connection, and the alliance applauds that. However the measures taken and the investments made are simply not targeted enough to enable all Ontario children to achieve excellence in all aspects of the mandatory curriculum, especially music. Given the funding and resource pressures faced by school decision-makers, discretionary grants linked to announcements about funding for instruments and music rooms, while well-intended, do not achieve their purpose.

The sad reality is that quality music education is just not available for the vast majority of Ontario children, especially those living outside of urban areas where almost no formal music education exists at all. A commitment to targeted funding for music education for all schools is long overdue. Therefore, we ask that the budget accurately reflect the importance of music to our children, to our schools and to our community.

I emphasize again that education funding must be targeted for specific purposes. Our position is as follows: Every child in Ontario has the right to a music education delivered by a qualified music teacher. Secondly, a music teacher must meet minimum standards of musical literacy; in short, to teach music, a teacher must understand the language of music. Third, the government must provide sufficient and targeted funding to bring quality music education to every child in Ontario. Surely the richest province in the best country in the world can find the ways and means to give our children the education they need and deserve to become fully realized individuals and contributing citizens.

I began this presentation with a provocative statement, that music might save a child from the terrifying influences of a gang. You may find yourself saying, can music really make that kind of a difference? It absolutely can make that kind of a difference, and I speak with the certain knowledge founded in my own quarter-century of experience in the music room. I have taught students who would not have been in school had it not been for their membership in the band. In spite of whatever else might be going on in their troubled lives, they knew they couldn't leave school, and not just because the band was a welcoming and comfortable place for them. In music, they found themselves needed: their bass guitar was vital, their rhythmic drumming was a necessity, their wailing sax indispensable to the group. In band or choir or any other musical gang, they are wanted, needed and accepted. Can it make a difference? It can, it has, and it will.

On behalf of the thousands of parents who want to give their children the best chance at a happy and productive life, we are urging you to help them get there. The government must provide sufficient targeted funds, and you will bring quality music education to every child in Ontario today. Thank you for your time.

The Chair (Mr. Pat Hoy): Thank you. We'll go to Mr. Prue of the NDP.

Mr. Michael Prue: This is the finance committee, so I guess I always have to ask about money. You've not set an actual target. How much money was taken out of the system for music education in the last 10 years?

Mr. Jim Palmer: It has less to do with money being taken out of the system and being targeted specifically to other areas—we have no argument that areas like literacy and numeracy are vitally important to our children, but when certain funds are targeted to specific purposes and other areas are left to kind of scabble over what's remaining, then it puts a disadvantage on those areas. Music has certainly felt that disadvantage, I would say, especially so in rural areas and in elementary schools.

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Mr. Michael Prue: We've had teachers' groups and other groups here asking for billions of dollars for education; for post-secondary education, another couple of billion dollars. Where do you see your request fitting in: to what they're requesting, on top of what they're requesting, as well as what they're requesting?

Mr. Jim Palmer: Our request is specifically for the area of music. That's our area of interest and our area of expertise. One of the recommendations that we actually make in the document to the Minister of Education is a study to take place to determine how much money is actually required for this.

I can give you an example from other provinces. Last year, Newfoundland targeted \$150 per pupil for arts education. That was a targeted grant to each and every student in the province of Newfoundland for the purposes of arts education. At the same time, a targeted grant was made in Ontario; rather than \$150 per student, targeted funding for arts education last year was \$1.50 per student. So that's the kind of inequity that we would like to address. If we got to that \$150-per-student grant that currently exists in Newfoundland, we'd be very happy.

Mr. Michael Prue: I can show you how old I am because when I was in high school you had a choice of taking either arts or music, and every child in grades 9 and 10 was required to take one or the other. That no longer appears to be a requirement. Am I correct in that?

Mr. Jim Palmer: We still have a requirement in Ontario that during their high school career, students must take one arts course. That could be photography, art, drama or music. Once again, as I mentioned in my presentation, that's half the requirement that other provinces have; indeed, less than half that some provinces would have as well.

Mr. Michael Prue: Okay. So what you are requesting, in part, I guess, is for this committee, being a finance committee, to recommend to the education minister that the curriculum of the schools be modified—I'm not saying changed, but modified—to allow for better arts appreciation and arts involvement.

Mr. Jim Palmer: We're talking to whoever will listen, and we realize that it is a complex scenario. What we want to avoid is getting into a kind of Catch-22 situation where we'll go to the College of Teachers—and we have gone to the College of Teachers—and they will say,

"We need the legislation to be changed." We'll go to the Ministry of Education and they'll say, "We don't have the money to support that." We'll go to the finance committee and they'll say, "We need the legislation that will support the need for the money." So what we're trying to do is avoid getting into that situation by talking to all of the parties that are involved in the decision-making process to ensure a quality music education for every student in Ontario.

Mr. Michael Prue: You've made your points well. Thank you very much.

The Chair (Mr. Pat Hoy): And thank you for the presentation.

Mr. Jim Palmer: Thank you very much.

PROVIDENCE CARE

The Chair (Mr. Pat Hoy): Now I call on Providence Care to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Larry Norman: Good afternoon. I thank you for the opportunity of being here. My name is Larry Norman. I'm a taxpayer. I'm also a volunteer, and I'm currently chair of the board of Providence Care. This is going to be about hospitals, but then hospitals represent half the budget and therefore I think it's only appropriate that they show up and say a few words from time to time.

Providence Care operates three facilities in this city: One is a long-term care facility with some 250 beds; we assumed responsibility for the psychiatric hospital formerly run by the Ontario government; and we operate a complex continuous care and rehab facility with palliative care. We have those three kinds of facilities, quite diverse and quite different.

This afternoon, I want to talk a little bit about three aspects of budgeting. I think there are more than three things that you might consider in budgets, but there are three things I want you to consider on behalf of Providence Care. One is that we need to invest monies in a social sense in this province, and I'll talk about what that means from Providence Care's point of view. Every budget must also work at savings. There is a limited supply of that financial thing called money, and savings are an important part of every budget. But we also, as part of budgets, must invest money. We must invest in the future so that in the end we save money and have a return on that investment. That's probably my business background coming out.

Let me first talk about the social need to commit funds. With our psychiatric hospital, one of the key things that we need to be able to do is put people back into the community. Mental health has a stigma, as I'm sure many of you are aware, which can be helped by having people put in the community in the right and proper way. The biggest inhibitor in putting people back in the community is housing. Having the right kind of housing with the right kind of supports is a real

stumbling block. At the moment, we probably have in excess of 70 people who could go back in the community if we found the appropriate kind of housing. You might say, "Yeah, but what can these people do?" A while ago I was down in our forensic unit and I happened to go into one of the rooms; you might call it a cell. In the room were some books open and a computer, and I asked the person, "What are you doing?" He said, "I'm working on my degree at Queen's." There are lots of people like that in the system, but we need a place to put them. If we put these people back in the community where they can make a contribution, we can bring more people into our facility to give them the hope of going back into the community. That's an investment from a social point of view. It's an investment governments have done, and we need to continue to do that.

The second point I want to talk about is how we can save money. The health care system needs to save money. As board chair, I am charged with signing agreements and guarantees that I will balance the budget, and I have no difficulty with that; I only wish I had more control over all of that. Let me talk about one area where I have lost control of that: wages and salaries. Some 80% of our costs are people costs, and rightly so. Probably some years ago, the government decided that strikes in the health care system were inappropriate—and I don't disagree with that—and put into place interest arbitration, or with my background, I would call it mandatory arbitration or binding arbitration. The problem is that I can no longer negotiate a contract with employees because no matter what I do, they'll get more by going to arbitration. If you don't believe me, I just had a settlement that gave between 12% and 18% and put me in arrears by \$2.5 million at one of the facilities I run—and the government isn't about to step forward and give me \$2.5 million. It's a system that needs to be looked at and needs to be appropriately altered. I want to make it very clear that I'm not here to talk about taking advantage of employees. Employees are the most important asset we have. I'm talking about being fair to the taxpayer, to the institution, and to the people we treat. The people we treat are the most important aspect of the whole health care system. We do need to think about how to solve this issue, because it's not just not a problem for my institutions; it's a problem across this province.

The third thing I want to talk about is investing for the future. Some years ago, as some of you may remember, the Health Services Restructuring Commission came through town, and they went through many towns in this province. At that point in time, we were directed to build a new facility, which would have combined two of our facilities into one. Well, here we are, some 10 years later, and I don't have a shovel in the ground. We are spending a couple of million dollars a year to try to keep these ancient facilities going.

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When I took over the mental health facility from the province, I spent \$8 million to bring it up to fire code. That will give you some idea of what we're doing. That's

wasteful of taxpayers' money. I am facing a \$12-million bill at St. Mary's of the Lake just to stabilize the building to keep it from falling down, and I'm still not on a five-year plan to build a new facility. A new facility also brings savings because I don't need two power houses, I don't need two cafeterias, I don't need two of this and I don't need two of that because these sites are not together.

I recognize that this is a political thing and I have to say this, and I'll say it in front of you: John Gerretsen has been a tremendous asset to me in this area. But I also have to say to you that sooner or later this health care system will be a little too precious to leave in the hands of politicians—I say that tongue-in-cheek—because we must try and remove more of the politics out of the system and do what's right from a very fundamental business and economic point of view. I feel we've strayed from that in some ways. Playing political football with the people we have to treat is not an appropriate stance.

I really want to thank you very much for hearing my sermon and listening to me for a few minutes. I'm passionate about what I do. You get a good deal for my money, as a volunteer, and I want to thank you very much.

The Chair (Mr. Pat Hoy): Thank you; a very interesting presentation and delivery indeed. This round of questioning goes to the government.

Mr. Wayne Arthurs: Mr. Norman, I thank you very much for your presentation—it was certainly worth the time, at least from my perspective—and for your volunteer efforts, you and those tens of thousands, hundreds of thousands or millions of Ontarians who commit some of their time—probably not as much as you, probably not as much as some others—to volunteer. Without it, we wouldn't be here as a province or as a community.

A couple of very quick questions, if I could. Can you take a minute or so and just talk about the type of supportive housing that you think would work for the clientele that you have some responsibility for, since that was a key element of reintegration of folks back into the community? Secondly, can you comment a little more on sort of your final comments about what I'll call, for my purposes, the business of health care, the challenges, the take-it-out-of-the-hands-of-politicians type of thing, just a few more comments on your thoughts around what we might do as a community to maybe bring a greater sense of business acumen to our health care system? As much as the Minister of Health likes to say, "I'd like to think it's a system, but it's not a system yet."

Mr. Larry Norman: The first one is housing. This is not a simple issue, and it's a conflict because each person is an individual with a different illness and what not. We do need housing which is supportive where people can go to be monitored, either off-site or on-site. For people who live in this community, we come back to our facility and monitor blood levels to make sure meds are being taken and so on.

They also need to live in a place, though, where they can get meals. I am also part of a church where we feed

probably 100 people today, many of whom were discharged from the institution. I'm saying, "Is that kind of an appropriate setting for these people?" They need to go into a facility which is more like a bed-and-breakfast kind of facility, not to a motel by themselves, where they can be with some peers, because they've lived in an institution with peers for many a year, some of them for 25 years or more. That is their life; that is their community. So we need to have a place where these people can be put together with some level of supervision, and a bed-and-breakfast environment where they can get meals and so on, but come and go. We've been able to train them to open bank accounts and go to the bank. It's amazing what you can do, given the opportunity. There's no one formula that fits all, but we do need to invest in that variety of things. That's one.

From a business point of view, I was at a meeting last night and it's kind of interesting; I'll say this again a bit tongue-in-cheek: I sign off an accountability agreement that says that I will balance my budget. I have no control over the revenue I get. I have no control over my costs, because 80% of our people are costs that I just talked about. I'm told what kinds of programs I have to provide. So what I'm left with in the end is about 20% of the cost; I have to work to try and save money, but I have to say to you that I don't know of any business that has ever cost-reduced itself into prosperity. We have to find some way of being able to bring more and have more—the people on boards are dedicated people who work hard at this, and yet they have so few degrees of freedom to manage the whole thing. And you need to do that.

If I could point the government to one thing they could do—the decision-making process is long and laborious. A business could not survive with a decision-making process that lasts so long. We need to be able to shorten that; as I tell the people in the ministry, I can live with a "yes" and I can live with a "no" but I can't live with, "I don't know." That goes on and on and on, and that's very frustrating for people like myself who come from a business world where you can make decisions in a more appropriate time. It's like if I knew when my new building was going to be on the five-year plan, I'd say, "Well, I'm not going to spend this money to refurbish this facility. I'm not going to do this, and I can save millions of dollars"; because when I don't know, I've got to serve patients and people, so—I could go on for quite some length of time. We don't have that time today, but any time I'd be only too glad to do that with you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

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STUDENT ASSOCIATION OF ST.
LAWRENCE COLLEGE, KINGSTON
CAMPUS

The Chair (Mr. Pat Hoy): Now I call on the Student Association of St. Lawrence College, Kingston campus, to come forward. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of

questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Jim Robeson: Good afternoon. My name is Jim Robeson. I am the student president at St. Lawrence College, Kingston, as well as the College Student Alliance east regional director.

I just want to thank you for giving me the opportunity to present to you the future labour shortage and job losses facing Ontario. I am aware that there have been several other presentations similar to this in various locations across Ontario. However, this is taking place because it is such a significant issue that affects the future of the economic growth and productivity in both the business sectors and communities in Ontario, and a plan must be established.

I'm not here just as the president of a student association or a CSA east regional director; I'm here representing all those individuals who could be affected by this. So within the next 10 minutes, I'm going to give you a brief introduction to the current reality, followed by the three primary recommendations to combat this dilemma—those being accessibility, affordability and transferability—followed by a question-and-answer period.

The Conference Board of Canada conducted a report based on the rate of retirees in comparison to the slow population growth in Ontario. What this concluded was that as of 2025, there will be approximately 360,000 individuals without a job, or needing a job. The significance of this is that Ontario colleges are going to have to act as one of the key suppliers to respond to the labour market needs. I think it's quite evident that time is not a factor that we have at this point. The demand for college graduates will intensify and, as the economy changes to globalization, as rapid technology increases and becomes more skill-intensive, those individuals with the college qualifications will be the central core or play the central role in the productivity growth in the communities and in the business sectors.

Just to give you a brief introduction to what St. Lawrence College has done: Since it was established there have been over 70,000 graduates, and of those 70,000, 80% currently reside in a one-hour radius. That's just St. Lawrence. What has Ontario done, or Ontario colleges? There have been over one million graduates since 1967; 33%, or approximately 2.1 million of those graduates, have entered the workforce, and this is in a six-million-strong labour market. In addition to this, just to give you a brief stat: Of all the individuals 25 to 64 who have a high school diploma or less, if they were to have a college qualification there would be an additional 289,000 individuals in the workforce today.

Now just to touch upon accessibility, which is one of the primary recommendations. This is quite broad, so there are other recommendations that fall into place, but I'm going to discuss just two for today, for time's sake.

The first one is that the provincial government needs to provide an increase in college funding and raise it to the national level. With that being said, you can see

there's a gap at this point in time. Manitoba, which is the highest-funded in Canada, is 45% higher than Ontario. Prince Edward Island is the second-lowest funded in Canada; Ontario is 18% lower than that. Just to continue with this, college students are funded at a level 38.3 % lower than universities and 47% less than secondary schools. This is just 70% of the national average of \$8,800. As you can see, the chart here depicts exactly what I'm talking about.

The second recommendation I have is that the provincial government must reduce the barriers that are affecting students at this point in time. Obviously, I think it's quite evident too that this is a financial constraint. If we want to take a closer look at this, we need to look at the under-represented students, those students with disabilities, aboriginal students or students coming from low-income families. The majority of qualified students who come from low-income families find it difficult to attend post-secondary education because of the risk of educational costs and the prospect of the large student debts.

In addition to this, the difficulty to pay for education has resulted in 19% of children from low-income families going on to university and only 29% going on to college. I think this speaks for itself and is quite troubling.

Now for affordability and the recommendation here: The Ontario government must urge the federal government to remove the Canada Millennium Scholarship Foundation immediately and communicate a strategy for Ontario to reinvest in alternative grants. You can see here that from 1999 to 2005 it accounted for student debt of about \$91 million, and this is annually. In addition to this, in the seven years of its existence the Canada Millennium Scholarship Foundation has provided Ontario with just under 260,000 non-repayable need-based grants and just above 6,000 awards totalling \$789 million. The approaching end of this in 2008 and 2009 will mean that \$108 million per year in need-based grants will disappear. Obviously, with that comes the accumulation of more debt. Just to see how this is helping and benefiting so many students, at St. Lawrence College it helped over 500 students last year.

Now I'll touch on transferability. What needs to take place is that the provincial government must provide more funding and resources to the College-University Consortium Council. At this point in time, this council has funded a number of advanced training projects in an effort to further collaborative partnerships or create these partnerships between the universities and colleges. Since this, they've created and maintained the Ontario College University Transfer Guide. Articulation agreements and current transfers have also taken place between the universities and colleges. The government of Ontario must increase the funding and provide greater authority to the CUCC to ensure easier transition for students from within the college and university systems and be an active college-university liaison, and enhance the Ontario college-university degree completion accord.

I'll just give you a brief summary: The current problem is that, as of 2025, there will be a labour shortage of 360,000 people in Ontario. The action that must take place—and I could go on for quite a while about this—is that accessibility, affordability and transferability be implemented. The result of this: a significantly reduced risk of this labour shortage.

I thank you for your time and I'll be happy to answer any questions you may have.

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning goes to the official opposition.

Mr. Toby Barrett: Thank you, Jim, for that presentation on behalf of the St. Lawrence College student association.

You talk about a million graduates since 1967. I wonder if, in your perception, being part of the community college system—I'd like to talk about the university system in a second—we are locked into any kind of 1960s mentality, given that the whole organization was set up back in the 1960s. Many of the people who were involved back then I'm sure are retired by now. I sometimes wonder, having been involved myself closer to the beginning, whether the college system itself is somewhat of a non-system or an atrophied system or a dysfunctional system. Do you have any big-picture recommendations as far as restructuring or reorganizing the college system or, perhaps as you've suggested, how it relates to the university system?

Mr. Jim Robeson: Thank you for the question. I think at this point in time the colleges and how they're looked at is still that there are levels between university and college, and that college may not be the equivalent of university.

With that being said, what needs to take place is that image—they need to be on the exact same levels. You can see through the chart I've provided that we've seen over 20,000 additional graduates since 1994-95. On an annual basis, it's 54,000 individuals who are entering the workforce, and because of this, or with this being said, I think it's quite clear that although the college system may be considered dysfunctional or whatnot, or it could be restructured, the students are attending it on the primary basis of the cost. University costs so much, and the student debt that you acquire from that is just tremendous. So if we can, like I said, change that image so it's at the same level as the universities, I think that will add so many more students coming in.

Also, with the transferability, where you can go to university now from college, at St. Lawrence they have just collaborated with Laurentian University, so you can now do a three-year marketing program and get a BBA from Laurentian in a year and a half. With that being said, you have both the theoretical and the practical aspects. So I think if we work along those lines and incorporate these recommendations I've discussed, we will see a transformation.

Mr. Toby Barrett: In discussing the college system and somewhat the university system—and I know you

only have 10 minutes—you talked about future labour shortages, job losses, economic growth and productivity, but you really didn't have time to get into that.

Maybe I'll put this out as a case study: I recall visiting a facility in Cape Breton; I think it was called the University College of Cape Breton. It seemed to be a combination of a college and a university all in one building. Much of the focus—and I did speak with some of the people involved—was not so much teaching, not so much learning. Given the tough economic environment up that way—Coal Harbour, Sydney, Cape Breton—the focus was on the community: community economic development and community economic renewal. The faculty—and, by extension, the students—were right out there in the community. That's where much of the teaching and learning was going on. But at the same time, you indicated jobs created within an hour of the college. They were actually out there working with employers, unions, community agencies and everybody else involved to try to turn things around and create jobs that way, at the same time teaching and learning were going on.

Any comments on that kind of structure? It's something we don't seem to see in Ontario in either the universities or the colleges. Even though we have some very serious pockets of economic devastation in Ontario, we don't seem to see these institutions addressing it.

Mr. Jim Robeson: I think at this point—and hopefully I will answer this correctly. In Kingston itself, like I said and like you just mentioned, because 80% of the graduates—who are 70,000 people, so just over 55,000—are in this area, I think the graduates do need to promote their experiences and what they've taken in. I hope I answered this right. It's the same with the universities. I think that really would make a difference, but I don't think this would be exactly the key to the labour shortage. I think it's one aspect that would make a difference, but at this point in time, like I said, more importantly, everything needs to be focused on the transferability, accessibility and affordability taking place. But I do agree with what you're saying.

Mr. Toby Barrett: Yes. And there aren't any right answers, by the way, but keep working on it. Thank you.

The Chair (Mr. Pat Hoy): And thank you for your presentation.

Our 3:30 has not arrived. We have indications that they are coming, so we'll recess until that occurs.

The committee recessed from 1504 to 1513.

FRONTENAC-KINGSTON COUNCIL ON AGING

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. We have the Council on Aging with us presently. Gentlemen, you have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. Brian Brophy: I'm Brian Brophy, president of the Council on Aging.

Mr. Clive Shepherd: I'm Clive Shepherd, board member of the Council on Aging.

Mr. Brian Brophy: Thank you for this opportunity to participate in the consultation on the 2008 Ontario budget.

The Frontenac-Kingston Council on Aging is a registered charitable organization established in 1991 to support seniors in our community in terms of planning and service delivery as well as to provide education and awareness about issues affecting seniors to both the public and the decision-makers at all levels of government.

We are a member of the Councils on Aging Network of Ontario, CANO, as well as the Ontario Coalition of Senior Citizens' Organizations. Through CANO we participate in the senior secretariat liaison committee.

I'll start out with the recommendations.

Recommendation 1: that the government include seniors living in poverty in any policies developed to address the issue of poverty among children, people with mental illness, those with physical disabilities, and the chronically underemployed and unemployed who live among us.

We'll flip to recommendation 9: that the provincial government establish a voluntary pension plan, where employees of small business and the self-employed could contribute to well-managed, large pension plans since they do not have the sufficient income to independently invest for their future retirement income.

Recommendation 10: that the Employment Standards Act be amended to ensure that contract and part-time workers under 24 hours per week receive benefits based on an income scale in order to build some equity for their future.

We're flipping around a little bit.

Recommendation 2: that the government study the cost-benefit factor, such as the reduction in capital expenditures, if low-income seniors received subsidies which would permit them to stay in existing market rent apartments or in their own homes rather than supporting only the construction and subsidies for rent-geared-to-income apartment buildings.

Recommendation 3: that the government establish grants to non-profit organizations to establish supportive housing projects that may or may not require capital funding.

Mr. Clive Shepherd: Those first recommendations that Brian has just mentioned were in the financial and housing realms, as they affect seniors. I will now enunciate several more recommendations that are in the realm of health for seniors.

Recommendation 4: that the government expand the current financial supplement for special diets available to recipients of welfare and disability pensions to include seniors living on or below the poverty line.

Recommendation 5: that the government ensure that prescription drugs on the approved list are regularly reviewed, and more advanced drugs with fewer side-effects are added to the formulary.

Recommendation 6: that the government ensure that health policies that address the issue of dental care for children, welfare recipients and low-income earners also includes low-income seniors.

Recommendation 7: that the government consider providing a subsidy for incontinence pads and diapers for seniors living outside long-term-care facilities who are diagnosed as suffering from incontinence.

Mr. Brian Brophy: Recommendation 8: that the government annualize the one-time grants paid on March 31 in 2006 and 2007 from year-end surplus through the Ontario Seniors' Secretariat to organizations that provide referral and peer support to seniors experiencing elder abuse.

We await your questions. We have a rationale on these.

The Chair (Mr. Pat Hoy): Thank you very much. This round of questioning goes to the NDP.

Mr. Michael Prue: You've got a whole bunch of recommendations. Let's just go down the page. In number 2, you want a government study on the cost-benefit factor of not building low-income housing. I would assume you mean low-income seniors' housing here.

Mr. Brian Brophy: Yes.

Mr. Michael Prue: I'm from Toronto, and we have a waiting list for seniors' housing that is about a year or two long, or three years. If we have that many people looking for it, why would you think we should stop building it?

Mr. Brian Brophy: We have two on the books in Kingston now that are slated to be built. But it's the same as our school system: If we build all these bricks and mortars, once these baby boomers are through we're going to end up with a lot of empty buildings, which is the same situation that our schools are in now.

Mr. Michael Prue: But the baby boomers haven't retired yet. I'm at the leading edge of the baby boomers; I'm 60 years old and I'm not close to retirement yet. I really think they need to be built for people like me 20 years from now. They should be built, but you don't agree with that.

1520

Mr. Brian Brophy: In the South East LHIN region, there is not one supportive housing complex, although two are now on the drawing board. It has been proven that there are dramatic cost savings for governments by providing home care, reducing the time spent in hospitals and delaying admission to long-term care—and the fact that a lot of seniors who have the means can go to retirement homes. People who are living on GIS and old age security don't have those options. They range anywhere from \$2,500 to \$3,500 in this area.

Mr. Michael Prue: There was a time not too many years ago when it was quite common for seniors to live in poverty; it is less common today.

Mr. Brian Brophy: I disagree with you, sir.

Mr. Michael Prue: Statistics Canada thinks that the prevalence of people in their senior years who are living

in poverty has actually gone down. If you've got other facts, please let me know.

Mr. Brian Brophy: The recent government report A Portrait of Seniors in Canada states that 6.8% of seniors are low-income, more recently reduced to 6.1%. This figure has been used to indicate that poverty is being wrestled down. This figure does not square with the fact that Revenue Canada reports that 38% of seniors, mostly women, receive the guaranteed income supplement, which is only available to those who have no other income other than old age security. The combined GIS and OAS annual income amounts to \$13,092. Conventional printed wisdom establishes the poverty line as \$16,000 for an individual living in an urban area and \$12,000 for people living in rural areas.

Mr. Michael Prue: Then you are disputing the fact that 6.1%—and I would acknowledge that 6.1% are living in poverty. That's probably much lower than single mothers.

Mr. Brian Brophy: That's the general average, but 38% of seniors are living below the poverty line. That's from Revenue Canada.

Mr. Michael Prue: Right now, the Ontario government, which funds welfare and ODSP rates, will allow people to apply for a special diet allowance. We do not fund seniors. That's a federal program, the cheque. Are you saying that we should be funding the federal program? Is that part of your submission?

Mr. Brian Brophy: I believe that this issue affects all levels of government and they should all get together and do their part.

Mr. Michael Prue: The very thorny issue in number 5 regarding formulary drugs: Could you tell us how you would want the government to improve it? I know sometimes it takes too long for a new drug to get approved. Some come and some go every year.

Mr. Brian Brophy: As seniors, we value the drug coverage that Ontario now provides to seniors, but the

determinants used to approve drugs on the formulary list are somewhat of a mystery. Here's an example that has been brought to our attention: For the treatment of chronic asthma, the Ministry of Health has approved Pulmicort Turbuhaler budesonide. The Turbuhaler is a corticosteroid proven to contribute to thinning bones, resulting in higher likelihood of broken hips. To protect against thinning bones, a second medication such as Actonel is prescribed. There is also the additional cost of taking prescribed over-the-counter calcium and vitamin D to counteract the corticosteroid. It seems a little nonsensical, but there it is.

Mr. Michael Prue: That's a good example.

In number 6, you talk about dental care, and I commend you for that, because I don't think that's in the government's plan for dental care. My understanding is that seniors often have some of the worst dental problems in our population, certainly after a lifetime of tooth decay or of breakage of teeth and things as you grow older. Can you talk a little bit about seniors and dental care and why you think this is necessary?

Mr. Brian Brophy: While it is accepted that general health deteriorates when diet is restricted because of poor teeth or lack of dentures, it is only recently that this issue is receiving attention. As our focus changes from treatment for the sick to prevention and wellness, dental care becomes a fundamental issue. It's not just the fact that a nursing home may have to grind up someone's food so that they can eat it; it's not strictly nutrition, but it is restoring dignity to these people who may have had a lifetime of neglect through poverty.

The Chair (Mr. Pat Hoy): Thank you, gentlemen, for your presentation before the committee.

Mr. Brian Brophy: Thank you very much for your attention. We appreciate that.

The Chair (Mr. Pat Hoy): We are now adjourned.
The committee adjourned at 1526.

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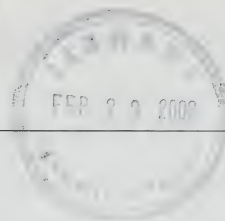
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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 30 January 2008

Journal des débats (Hansard)

Mercredi 30 janvier 2008

**Standing committee on
finance and economic affairs**

**Comité permanent des finances
et des affaires économiques**

Pre-budget consultations

Consultations prébudgétaires

Chair: Pat Hoy
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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Wednesday 30 January 2008

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Mercredi 30 janvier 2008

The committee met at 0846 in the Holiday Inn, Guelph.

PRE-BUDGET CONSULTATIONS
COLLEGES ONTARIO

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. The committee is pleased to be in Guelph for today's hearings.

Our first presentation will be by Colleges Ontario, if you would come forward, please.

Ms. Linda Franklin: Good morning, everybody. Thank you very much. When I was here a couple of days ago—this isn't déjà vu—I was representing Ontario's Workforce Shortage Coalition. Today I am here in my capacity as the president and CEO of Colleges Ontario to talk to you a little bit about the college story as it relates to the economy and the needs of our workforce.

Much of my presentation today will focus on the workforce challenges in Ontario, so a bit of resonance from our presentation as the workforce coalition; also the poverty challenge and how the colleges in Ontario are going to be central to the province's strategies in both these areas.

Let me start by saying how pleased we were with the recent throne speech commitments to a better-educated and more highly skilled workforce in Ontario, an Ontario that provides opportunities for all. Obviously, from the post-secondary sector we can't imagine a more important set of investments in our province and a more important way to recognize the needs of our economy going forward.

We were also pleased that the fall economic statement spoke about the importance of a diversified economy and a highly skilled workforce and actually recognized the work of the workforce shortage coalition.

As the government noted in its fall statement, more than 90% of the new jobs created from 1997 to 2006 went to people with post-secondary education. That number won't change; in fact, in the coming years it's predicted that over 70% of all new jobs will require post-secondary education. So that focus on the government's part on education and the continuing focus on post-secondary education is critical to our workers, to our social justice agenda and to the economy.

Ontario also recognizes—correctly, we think—that far too many people are stuck in the poverty trap. Again,

post-secondary education has a really critical role to play in addressing that issue.

As Premier McGuinty has recognized, the key to success for so many people who are struggling is access to education and training. With the right skills, the right knowledge and improved self-confidence, people can put their difficult pasts behind them.

In our budget submission, we have taken a page out of some of the budget submissions to past governments and told some personal stories. I'd like to read you just one that I think epitomizes everything we have to say about the role of post-secondary education in addressing poverty.

In the late 1990s, Richard Aub, an unemployed father of four boys, was reading to one of his sons late one night when the son said to him, "Daddy, that's not what the words say." Confronted with the reality that he couldn't read, Richard turned to Cambrian College for help and enrolled in the literacy and basic skills program. From there, he went on to the pre-technology program, followed by aviation maintenance, relying on the college's food bank, their counsellors and emergency loans to support him. Today, Richard is an apprentice aircraft maintenance engineer. He volunteers for the Boys and Girls Clubs of Canada and he leads literacy groups for children.

That's one story, but the colleges have thousands of those stories, which talk about the dedication and commitment of people to make better lives for themselves and the power of a college education to help produce that.

We think we have a pretty key role to play: From poverty to retraining to filling our future labour needs, we have an essential part in addressing these challenges. Increasing the education and skill levels of people from all walks of life and income levels can ensure that more people find stable, well-paying jobs, and it ensures that they're employable over the long term. Providing greater access to college education, training and retraining is essential if we're going to address the economic challenges facing us.

As many of you know, colleges in Ontario struggled through years of underfunding. We were pleased when the province announced in 2005 that funding would increase under the Reaching Higher plan. Colleges received about \$270 million of that \$6-billion package, and we believe we've invested those dollars wisely and

well and created new programs and improved accessibility to colleges. But we have to be clear: The job isn't done. It takes a long time. As the former minister, Mr. Bentley, said to us, "We didn't get into this hole overnight and we won't get out of it overnight." It takes a long time to turn the ship around, and there is still work to be done.

There continues to be pressure to produce more college graduates, and yet our colleges still receive the lowest per-student funding revenues in the country. It's also lower—our per-student funding—than that provided to high schools and universities by a substantial amount. Real operating funding for colleges on a per-student basis last year was 16% lower than in 1992-93, while college enrolments were 20% higher. No matter how you look at it, whether it's in comparison to other education sectors, historically or interprovincially, Ontario gets less funding per student at the college level.

We also face unavoidable cost pressures, including salary implications of wage settlements and the rising costs of goods and services, utilities, maintenance and taxes, like so many other organizations and institutions do. Furthermore, the anticipated extension of collective bargaining rights to part-time workers and staff at colleges is expected to place significant additional pressure on college budgets. Many colleges are also—I think in a good-news story—facing significant cost pressures because of the recent surge of enrolments. Just like universities, colleges are facing more and more interest in a college education, and that means more and more pressures to provide faculty, programming, housing and classrooms. An independent study showed that colleges need about \$700 million to bring their facilities up to standards as well. Like all institutions, we're facing the challenge of aging infrastructure. The college system is 40 years old, and in some cases, our boilers and roofs are 40 years old.

So you can imagine that we were quite delighted yesterday with the government's announcement of an additional \$65 million for college education and training. That money will go a long way to help us start addressing it, and I know there are some in this room who were particularly influential in helping make that happen. I can't tell you the relief with which the colleges greeted that announcement because frankly it did a lot to keep the wolf from the door and to fix some really essential things. I think there was a great deal of time and energy on the government's part spent trying to make sure that that money could be flexible enough to do what needed to be done at college campuses. The funding will also help colleges address cost pressures created by increasing enrolment along with the costs associated with evolving technologies, because you can't train a workforce on outdated equipment; it's just critical.

Improved funding to colleges will also help us in a number of other areas.

Reaching out to underserved populations: We really believe that one of the big, important solutions to the workforce challenges facing us in the future is finding

out how we reach those students who never go on to post-secondary education, who either don't finish high school or don't take post-secondary training. We believe many of those students are very reachable. There are programs going on right now between high schools and colleges that demonstrate that many of those students can be reached. There are programs in the aboriginal community that show us that those students can be reached. That is a very large, important labour pool waiting for us and waiting for the opportunity to do their best and make the most of their skills and talents.

Continuing pilots and programs to help integrate internationally trained immigrants: We think colleges have a big role to play in figuring out how to help that integration go smoothly, how to coordinate services and how to make sure that, frankly, we don't put immigrants through 18 tests of English instead of one and 18 processes to evaluate skills instead of one. We're doing a lot of work with the government right now on streamlining those processes, standardizing them so that immigrants have a clear and easy path through, and we think that work needs to continue.

Finally, marketing the importance of college education and training: Last year the government provided \$1 million for the sector to start providing marketing to help the public understand the value of a college education, the value of training and education in skills and, frankly, to overcome some prejudices people have about the only route to success being a university education. We're very hopeful that funding will continue because we think there's a big job to be done. In the brief chance we've had to get out in the marketplace, we can demonstrate statistically that it makes a difference.

We also think that investing more in colleges will help the government realize its agenda on many fronts. For example, an investment of \$40 million for college labour market programs would allow colleges to make significant progress in targeted areas: skills training for employability; apprenticeship expansion, which is key on the government's agenda; and transition support programs, which we think are critical to help the colleges deliver on Employment Ontario programs and services. Lots of folks who take advantage of those programs need support not just on the education front, but also in manoeuvring and getting through all of the various things they need to get through to really access those programs successfully, and we think transition help is critical in that area.

The Chair (Mr. Pat Hoy): You have about a minute left.

Ms. Linda Franklin: Thanks, and I know you run a tight ship, so I'll be done in a minute.

Colleges need stable, long-term capital investments too, and we think that's something the government should look at, particularly now that we're consolidated on the provincial books. So some kind of stable, reliable capital funding in the years coming would be a huge help for the colleges.

Fortunately, we think the province is well positioned to invest in colleges and training this year. We know there have been big investments to date. But Ottawa, of course, is transferring more than \$300 million in new dollars this year for post-secondary education. It's a continuous transfer with a 3% escalator. We think it's essential that this new money be used to strengthen post-secondary education and training. And the province will be receiving more than \$190 million in new funding for labour market training, which we think, again, will help us invest in new programs.

With these proposed investments, we think colleges can ensure that more people have access to the education and training they need. We think we can help Ontario meet its commitment to strengthen the economy, to retain unemployed workers and to help our most disadvantaged get back on their feet and become well employed.

Thank you very much for your time, and I look forward to questions.

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning will go to the official opposition.

Mr. Toby Barrett: Thank you for the presentation and coming again to talk to us about community colleges. Many of us are concerned about the economy and the challenges we may have to meet in the future. Obviously, continuing to invest in post-secondary education is key, along with a smarter taxation policy and opening the door to more venture capital and innovation and creativity.

I'm just wondering, and I'm thinking of other countries that have done a good job: To what extent is Ontario's community college system integrated with business and government as far as meeting the challenges of—you mentioned the global economy. How are we doing that way, beyond just instruction in a classroom or in a shop?

Ms. Linda Franklin: I think at the moment we're pretty highly integrated with the business community. We develop programs and curriculums mostly in concert with advisory groups of business leaders. Last year, we had the fellow who is in charge of the UK skills challenge agenda at a conference, and he actually said to us that the single biggest advantage that Ontario has that no other jurisdiction in the world has is the community college system, precisely because of that level of integration that you mentioned.

I think, though, Toby, as time goes on, one of the big challenges we face is business saying to us, "Look, when workers are laid off, when people are suddenly out of a job, how do you provide quick retraining?" Surely we should be able to be standing at the doors of the Windsor plant when people are laid off, saying, "You know what? We have programs that will help you, and they will help you immediately." So I think one of the challenges the colleges are going to answer to from the business community is that intakes in September, January and April probably won't do the job for folks who have a mortgage and a family and who need work tomorrow,

and we have to become a lot more nimble and flexible in how we address some of those immediate needs.

Mr. Toby Barrett: I think of one example. We've had testimony from people involved in the forest industry, and we're not up to speed; I think we're not doing as good a job as we can to compete. I just read an article where in Finland, government, business and the technical education system have focused on making Finland a world competitor. They're running out of wood. They access wood, believe it or not, in China, India, Brazil, and they can do that because they have focused on technology. They know how to do it.

We have a challenge with our forest industry, for example, or manufacturing might be another example. Is the college system able to rev up overnight and partner and address some of these very serious issues?

0900

Ms. Linda Franklin: Yes. Certainly the forestry sector is an excellent example for us. We have colleges up in areas that have a fairly important investment in forestry. In fact, a fellow who's a CEO of a very large forestry company is actually the chair of the board of Confederation College. So we work very hard to maintain those community links. The short answer, I think, is yes, when there are challenges like that in the economy, particularly in communities, it's the strength of the community college system that we are highly invested in our particular local community. The college can turn around on a dime, frankly, and make sure that there's retraining available.

The biggest challenge, really, is when folks are trained for one job—I think there needs to be some way of identifying what their core skills are so that when they move from, say, forestry to mining, you don't have to start from scratch with them; you can say, "All right, what core skills do they have that are relevant to mining and what gaps do we have to fill in with education so that their transit through the education system back into the workforce is much faster and not repetitive of their skills?" That's something we're working on now.

Mr. Toby Barrett: As far as the local economy, a number of years ago I visited, I think it was called the University College of Cape Breton. There were tough times in the Sydney area and that part of the country, and the instructors there explained to me that, in a sense, teaching and learning were almost secondary. Their students, the whole organization, were out in the community working hand in glove on issues with the local economy, trying to literally create jobs, doing community development, doing economic development. Do we have any models like that in Ontario? I think we have a need for something like that.

Ms. Linda Franklin: Absolutely. I think the colleges do as much economic development and social work, frankly, as they do education and training in a lot of the communities. I'll give you an example that I think is different but complementary. Humber College has a program in a particularly difficult area of Etobicoke with kids who are not in school, are not employed, who are

struggling, and they work with them, with their counsellors, with their trainers, with their educators; they use their business partnerships to find them work. I said to the head of Humber College, "Well, what's the goal for the college? Where's the post-secondary part of that?" He said, "Are you kidding? We're not interested in getting them into post-secondary. They're not nearly ready. We're trying to get them to a place where they can hold a job for six months, develop some skills, develop some understanding of how to work well over the course of time, and over time we will build for these students a different sense of attachment to the workforce. Eventually, we believe we'll get them to post-secondary, but our goal right now is just to help the community and its youth in a time of trouble." So I think there's a lot of that kind of work that goes on at colleges that is looking more at the community needs we can serve.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 18

The Chair (Mr. Pat Hoy): Now I call on the Ontario Secondary School Teachers' Federation, District 18, to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Mac Howson: My name is Mac Howson. I'm the president of District 18, OSSTF, the Ontario Secondary School Teachers' Federation. As the name implies, we are a secondary school teachers' federation, but there is more to it than that, because we represent a majority of the educational sector within the Upper Grand. Within this district, we have over 1,700 members, most of whom are teachers, but we do have professional support staff personnel as well as other support members like educational assistants and office, clerical and technical people. The office/clerical/technical and the educational assistants are also under our umbrella with the Wellington Catholic board, as well as with the Upper Grand District School Board.

The purpose of my presentation this morning is to keep in the forefront for the government that education is a priority for this particular government and to remind the government that the cutbacks in education from 1995 to 2002 had a devastating impact on the educational sector and it has not yet fully recovered. I think we are well on the way to a positive recovery from that, but it is not yet achieved.

As outlined in the preamble that you have in front of you, the funding formula created in 1998 removed the right to generate funding revenue through local taxation, so the government controls virtually all of the education expenditure.

Secondly, the government has limited funding based too closely to just enrolment, excluding other factors such as building spaces and locations. Because of the enrolment changes the funding formula has not kept pace

with these changes, creating staffing shortages in support staff areas in many schools. That will be my general focus today, the support staff.

It has also become clear that the loss of other student support personnel has had a negative impact on students. The backlog of assessments along with the lack of permanent social/youth workers in the school has weakened the school's ability to serve all of the students in a timely manner. Even with the infusion of revenue within the past year, boards are having a difficult time keeping pace with the expectations and new initiatives such as the student success program, credit recovery, credit integrity or safe and inclusive schools, which is the new Bill 212, which was announced a few short months ago and will be fully implemented in just a couple of days, at the beginning of February 2008.

Safe and inclusive schools need appropriate and substantial support staff. Inflexible funding in Upper Grand, for example, has led to a decrease in our PSSP—that's our professional support staff personnel—the members within OSSTF. Those are the speech and language people, the youth workers and psychologists, for example.

In addition to the specific recommendations of this submission, OSSTF is recommending this government take major action to address the educational funding crisis in Ontario immediately to restore local priorities, learning opportunities and the declining enrolment grants.

In this submission there are numerous issues that are presented that affect the educational sector, and many recommendations are also suggested. I'll briefly highlight those priorities that locally affect us the most in Upper Grand.

On page 3 of the brief: From the onset of the funding formula, the benchmarks used to fund salaries in virtually all job classes were significantly lower than actual salaries paid by the school boards. The government, using their own research, found that the teacher salaries alone were underfunded by at least 8.3%. The direct impact of this funding shift has been a reduction in service available to students, mainly in the form of a reduction in school support staff. The funding shift also reduced the percentage of salary. The total reduction in funding was approximately \$600 million.

The net impact of this, which is highlighted, not only—and I will only highlight a couple here: the reductions in support staff and other student support personnel and the last one, increased workloads for many support staff who support classroom teachers and school and board administrators and, most importantly, the students.

The two recommendations from that that I would like to highlight are the immediate introduction and full replacement of the funding of the three previously mentioned grants, and, number 4 on that sheet, to add an inflationary index based on the Ontario consumer price index.

On page 4, teacher staffing: Since Bill 160 was introduced, a stream of legislation has been systematically

introduced, and eventually repealed, to try to regulate the number of teachers in the school system. School boards spend time and effort determining the minimum number of staff needed to function. We would recommend at this point that a further investment must be made to teacher staffing.

I will be skipping some of these because of the time constraints. Obviously it's a very large issue, or many large issues within this, having to do with special education on page 5. Special education, by its very nature, must be funded where the services are needed and to the extent that the student requires them. Changes had significant impact on provincial programs. We would like a more proactive approach taken to this. Recommendation number 9: Funding for preventative programs needs to be increased for this proactive model.

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On page 6, the school foundation grant: It is time to discuss the importance of schools as communities, especially at a time when safety, student success and student disengagement are the focus of the government's educational platform. We do applaud some initiatives that have been taken, such as Bill 212. However, a further recommendation is that there should be an essential minimum level in a school regardless of the size or enrolment of that school.

Number 13: separate funding for casual staff in the office clerical, technical, plant support and PSSP job classes.

Skipping to page 8, the underfunding of student credits, one of the central goals of the government's educational agenda is increasing student achievement that is measured by credit accumulation. This is one way of measuring, but not the sole way, and this seems to be a basis of the funding model.

On page 9: The Pay Equity Act is intended to correct the historical undervaluing and lower pay for work performed by women and men in female job classes. Our recommendation is that the government must establish funding for pay equity settlements.

Since time is limited, I'll skip to the back. The final three pages summarize an extensive list of recommendations by the Ontario Secondary School Teachers' Federation. I would welcome questions on that.

Generally, funding must be increased in order to maintain the quality of education that is expected by our communities and demanded by our communities. Thank you very much for this opportunity to present our concerns and our suggestions to you. I'll entertain questions.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP.

Mr. Michael Prue: I think teachers generally are appreciative of much of what has happened in the last four years by the Liberal government. But if there is one single failure, in my view, of an otherwise good policy, it's leaving the funding formula absolutely static and in place. What does the OSSTF think in terms of how the

funding formula—I saw what you said here, but how fast should the government be acting on this?

Mr. Mac Howson: There is always an immediate need. It's looking at the generators of that funding, and right now it is too narrowly defined and based on school enrolment. We believe that it should be broadened beyond that and looking at more of a broader base. Our belief is that, yes, teachers can be a focal point, but a school is a community and you have to look at it as a more broad-based community, which draws in more funding.

Mr. Michael Prue: You are asking here for about \$2 billion, if I can do the math pretty fast in my head.

Mr. Mac Howson: Yes.

Mr. Michael Prue: The government is also looking down the road in a year or so at instituting an expanded kindergarten program, which is going to be very expensive. Can they do both? Should they do both?

Mr. Mac Howson: The expansion at both ends of the educational perimeter?

Mr. Michael Prue: Yes. Here we are looking at a huge expansion in the education budget.

Mr. Mac Howson: I believe it does because society is demanding that expansion. I think there is a general level of value put on education, particularly in the primary grades. From a secondary vantage point, that has put more stress on our particular section of the educational sector. But, yes, it should be broadened. I think that answers your question.

Mr. Michael Prue: I wouldn't think a teacher would say anything else, but the government is also committed to poverty reduction and so many other fields. We had the colleges in asking for \$2 billion. There are a lot of asks here. Explain to the committee why education, which has already done fairly well over the last four years, should continue to get the lion's share of any new money.

Mr. Mac Howson: Yes, I have to say that we do appreciate the positive changes; however, there is a long way to go. I think that the main focus needs to be that it is proactive and that it is an investment in the short term as well as an investment in the long term, investing within the education sector. Those programs have immediate results, and obviously they'll have long-term results in more positive, functioning members of society.

Mr. Michael Prue: Thank you very much.

The Chair (Mr. Pay Hoy): Thank you for your presentation.

ARCHITECTURAL CONSERVANCY OF ONTARIO, GUELPH AND WELLINGTON BRANCH

The Chair (Mr. Pay Hoy): Now I call on the Guelph and Wellington branch of the Architectural Conservancy of Ontario to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Ms. Susan Ratcliffe: Good morning. My name is Susan Ratcliffe. I'm the president of the local branch of the Architectural Conservancy of Ontario, the largest citizen organization advocating for Ontario's built heritage. I'm here as a volunteer. I'm not paid. I wrote the brief myself. I have no paid staff. I thought you'd like to know that.

I'd like to quote from the Ministry of Culture tool kit called Strengthening Ontario's Heritage: Identify, Protect, Promote:

"We are at the start of a new era for heritage conservation in Ontario. After more than 30 long years, we can now say with conviction and pride that heritage truly matters in Ontario. At last, Ontario has what it takes to be a leader in protecting and promoting the irreplaceable heritage of this province and its people.... Now that the new stronger heritage act is in place, I am confident that the list of heritage sites across Ontario will continue to grow. We must educate our local leaders and the public to recognize and respect the importance of our heritage. We must show property owners and the business community that preserving our heritage makes good economic sense."

Those are the words of Madeleine Meilleur, the Minister of Culture who announced the new heritage act, Bill 60, in 2005. I have to tell you that the heritage community was euphoric, overwhelmingly, enthusiastically grateful to the McGuinty government for finally passing the act that has a fair process and objective criteria empowering municipalities in the province and preventing demolition of our historic sites.

Even Jane Jacobs praised that act. She said, "These changes to the Ontario act are long overdue, and I believe they'll have a significant positive impact on the province's heritage resources."

However, three years have passed. We thank you for coming to Guelph, for listening to all of these groups giving input into your budget process. I feel kind of privileged to be between OSSTF and the AMO, because I am a retired teacher and I am a volunteer for my beloved city of Guelph. I've been a walking tour guide for 20 years. I'm the archivist for the Guelph Historical Society. I'm a member of Heritage Guelph and president of the group I represent here. For none of those positions am I paid.

Heritage volunteers do our very best with passion, enthusiasm, dedication and hard work. We raise awareness through the Doors Open program, through Heritage Week, and we would have liked to do it through Heritage Day on February 18; however, that was renamed. We are putting on displays at the mall, and we train municipal councillors. But despite the great act, our work and our passion, Walnut Hall in Toronto was demolished, the Lister Block in Hamilton is in danger, the Brighton Public School is threatened, and the Loretto Convent here in Guelph teetered on the brink of demolition. Heritage needs more than passion; it needs the commitment of ongoing funding to individual property owners, to non-profit groups, to municipalities

for their heritage committees and to businesses for their heritage locations.

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The minister also said, "This is a historic moment for heritage in Ontario." We now "have the will and the way to ensure that our heritage survives and thrives for the benefit of present and future generations of Ontarians." But three years later, despite our will, we don't have the economic way.

It's time to fulfill the potential of the heritage sector. It has demonstrated value in many aspects of Ontario's life. For the environment, it preserves buildings, the tree cover and the natural environment. It conserves the physical resources. In my paper, I give you some facts that have come from research done by the Heritage Canada Foundation.

It creates meaningful employment opportunities and skilled jobs. There is an estimate that we'll need more than 900 stonemasons to repair our buildings in Ontario. It preserves traditional construction methods and crafts. It is a vital factor in urban and rural renewal. For our downtowns, under Places to Grow, it will be necessary to conserve the heritage buildings to create the density that's needed to meet those targets. And it is indeed the old urbanism. Why do we need to build in Markham and Newmarket and Mississauga the new urbanism when we have walkable communities right now in our downtowns? This will attract the "creative class," as Glen Murray calls it, with a beautiful heritage environment.

It's also vital to economics to strengthen cultural tourism and support local economy by employing local people. It also gives to Ontarians equity of opportunity to help with heritage resources so that it's not just people who can afford a heritage house who could then have the money to fix up their house or their business.

I've given you a list of what we're asking for: policy change to encourage repair and reuse of older housing stock; tax incentives and rebates; loans; money for heritage committees to update the inventories and designations; grants for volunteer groups to promote awareness; and money for municipalities to create programs like heritage façade improvement funding for downtowns.

I have in this envelope, if you need specific programs, programs that the government had in 1984, 1987 and 1989 that gave grants and loans, matching funds and endowments. So you don't even have to employ anybody to do any work. Here it is; you can photocopy it and issue the money. It's all done. All we ask is that you do it again. And they were both Liberal and Conservative governments that had those programs.

To conclude: While you're in Guelph, drive to the west side and see the flattened wasteland that was once the pioneer farm and house of the Mitchell family. Then drive through our limestone homes downtown and beautiful churches and old schools to see the potential of keeping that older urbanism. Look up to Catholic Hill and imagine when the Loretto Convent is a great

museum. And think of adding money to heritage conservation.

I'd like you to reflect, someday in the future—perhaps 50 or 100 years from now—when the world has changed beyond our imaginings, and yet the citizens of the future of Guelph will look into their past and realize the immense foresight it took for the government of the day to preserve the still-beautiful built heritage of a bygone era. You can help to make a present of the past to the future. It just needs a little money. Thank you.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mrs. Liz Sandals: Thank you very much, Susan. It's great to see you here today.

We don't have the benefit of your envelope, so I wonder if you could give us a little bit of information, a little bit more detail, about the sorts of things you would like to see included in a couple of areas. One is the area of financial incentives that would help private homeowners, for example, to restore or hang on to the heritage homes.

The second would be the major projects like Loretto, where you have to go in and totally retrofit and restore a building. If there were to be a capital grant fund—obviously that's an application sort of thing—what sort of criteria would you see the province setting up for major capital grants around heritage? Individual financial incentives and then major grants: What should the criteria be?

Ms. Susan Ratcliffe: I briefly listed on the second-last page of my brief the three programs. They varied from giving grants of up to \$3,000, which would be matching money for people to do things like restore a heritage port or restore the windows or the roof of a building. For many people, that amount of money would give them the incentive to do the repairs. We've had many people come to Heritage Guelph, our municipal committee, and say, "I'd love to do this, but it's expensive to do." So a small grant like that—I'm not asking for \$2 billion; I'm asking for small grants that homeowners could apply for. That kind of grant was given three times, as I said, in those years.

The federal government, in their wisdom, cancelled the commercial heritage properties incentive fund, the CHPIF grants, that gave up to \$1 million for commercial properties that were heritage properties. That's a large amount of money. A building like the Petrie building, which is a downtown building and the only building of its kind in Ontario with the stamped-tin decoration on the outside—if it could apply for an amount of money that would allow it to improve that façade, it could be kept. Pieces of it now are falling onto Wyndham Street.

In terms of the convent, it would be an infrastructure grant to rebuild a building that was built in 1850 and was the home of the first separate school system in Ontario. It will be a beautiful attraction in Guelph and create a museum and education centre that we would need. That would be a big grant.

Or you could give the Guelph Arts Council \$2,000 to print our new tour book instead of us having to go and find somebody who will donate the money to print that book. Our tours attract more than 1,000 people a year to downtown Guelph. We do bus tours and walking tours. Imagine if every little town—Elora, Fergus; I'm talking about the local area, of course—could have that: a tiny grant that would allow the volunteers to do the work they want to do, so they don't have to spend their time fundraising.

Those are the two kinds of little things—it's like microbanking; it makes a big difference to have a goat. That's the kind of thing that the small grants would do.

The Chair (Mr. Pat Hoy): Thank you. If you'd care to leave any information, give it to the clerk and he'll make sure the whole committee gets a copy of it. Thank you for your presentation.

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ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Chair (Mr. Pat Hoy): Now I call on the Association of Municipalities of Ontario to come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There could be up to five minutes of questioning, and I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Doug Reycraft: Thank you, Mr. Chairman. Good morning to you and to members of the committee. My name is Doug Reycraft. I'm the mayor of Southwest Middlesex and president of the Association of Municipalities of Ontario. With me this morning is Brian Rosborough, our director of policy.

AMO believes that there already exists around this table an understanding that the current state of municipal finance in Ontario does not provide municipal governments with the necessary resources for their immediate responsibilities, never mind those of the future. All three political parties represented here today share the understanding that the Ontario government's over-reliance on property tax revenues must come to an end. The municipal tax dollar is a dollar that has been stretched too far for far too long, with demands that are far too great. The result of that is the highest property taxes in Canada and deteriorating infrastructure.

A decade ago, this outcome for our municipalities was a foreseeable result of decisions that were made at that time. For too long, Ontario has stood alone in its approach to provincial-municipal fiscal relations. Being the province with the highest property taxes in the country is only part of the problem.

Municipalities are pleased with the progress that is now being made. A key milestone was reached last August when Premier McGuinn announced a timed, full upload of two entire, key social programs: the Ontario disability support program and the Ontario drug benefit program. As a result of that announcement, by 2011, the

province will have reduced its reliance on municipal property taxes by \$935 million a year.

In addition, the province has provided municipalities with a stable funding guarantee for the 2008 Ontario municipal partnership fund allocations. No municipality will receive less this year than they received in 2007, and surely those municipalities due to receive more will do so consistent with past government commitments.

Other improvements have been made as well, and I want to recognize those. Provincial public health funding has increased to 75% of the cost of those services. Provincial funding of land ambulance service is now actually at 50%. These provincial initiatives, combined with our ongoing joint review of how municipal services are financed in Ontario, are delivering results. The page is now turning on an era of unsustainable provincial-municipal fiscal policy.

In looking to the future, we have the opportunity to lay the groundwork and set out a path for a steadily improving fiscal and policy framework that delivers increasingly better results for citizens and communities. Through the ongoing Provincial-Municipal Fiscal and Service Delivery Review as well as the upcoming provincial budget, AMO is seeking to improve the quality of municipally managed human services in Ontario; to secure fair, accountable, honest and transparent provincial-municipal fiscal arrangements; and to ensure that investment in municipal infrastructure meets the current and future needs of Ontarians. Enhanced human services, stronger partnerships among service providers, and better-integrated services for clients: These are important objectives for AMO's members and for the people who live in our communities.

Addressing the issue of poverty is another key objective. We have families in our communities who struggle to make ends meet: people who are unemployed or living on fixed incomes; those with limited access to employment, child care or transportation; people who are homeless. These are people who live in our communities as well.

There are many and complicated reasons for this growing problem. AMO is particularly concerned about the impact of high property taxes on low-income families and seniors in Ontario. The provincial property tax credit provides some relief, but it's only a half-measure. A 2005 Statistics Canada report states that "in some municipalities, lower-income homeowners had a tax burden four or five times greater than their higher-income counterparts."

The federal and provincial governments boast that new adjustments to income tax rates will reduce the number of low-income families paying income tax. Yet in Ontario, the provincial-municipal fiscal relationship ensures that low-income families and seniors pay the highest property taxes in the country.

Municipalities want to be in a position to reduce upward pressure on property taxes. We want to be in a better position to fund the infrastructure and the other quality services that sustainable, livable communities

require. We want to have the fair and equitable arrangements between the provincial and municipal orders of government so that the right tax supports the right service. Beyond social programs, such as child care and social housing, there are other examples of where that fairness is lacking.

Municipalities supply a wide range of services to provincially owned, revenue-generating crown lands, for which the province does not pay. This problem is particularly acute in eastern Ontario, where crown lands cover more than 11,000 square kilometres. Local property taxpayers are unfairly paying for these services and subsidizing the province in the process.

The "heads and beds" levy that municipalities receive in lieu of property taxes for provincial institutions such as hospitals and universities has been frozen at \$75 per student or per bed since 1987. Indexed for inflation, the levy should be \$121. If based on the assessed value of the property, as is the case with other provincial properties, the payment to the municipality for municipal services would be higher still. In the meantime, the municipality subsidizes the province.

Another major concern is the cost of providing court security in provincial courts. This represents a \$125-million annual subsidy to the province by those municipalities that have provincial courts within their boundaries.

Fair and equitable arrangements between the provincial and municipal orders of government are key goals of the provincial-municipal review. The three examples I just listed are just a few where new, fair, accountable and transparent arrangements are required.

Forcing municipalities to subsidize provincial costs for health and social services has diverted billions of dollars every year from municipal infrastructure investment. How can this policy be reconciled with the need to strengthen the municipal infrastructure that provides a foundation for the provincial economy?

While there are varying estimates on how big the infrastructure spending gap actually is, all reports are unanimous in their conclusion: The gap is too large for any one order of government to bear. It's probably too large for one generation to fix. That gap will become unbearable if we do not begin to address the need for significant and predictable investments now.

The damage is visible. The public sees it in our streets, and the business community measures it in terms of lost opportunity. Roads, bridges, sewer and water systems, transit systems and recreation facilities—these are the things that make it possible to live and work across Ontario.

In competing jurisdictions, businesses large and small have access to the broadband infrastructure they need to remain competitive. Significant investments were made in last year's provincial budget to bring high-speed Internet service to underserved areas. Additional investments in broadband will provide economic benefits to small communities and small businesses alike. Failing to invest in municipal infrastructure, and undermining the

ability of municipalities to invest municipal revenues in municipal infrastructure, is a false economy.

The consequences include unsustainable growth. Growth should pay for growth. The Development Charges Act, as currently structured, forces municipalities and existing property taxpayers to subsidize development in Ontario. Until we see growth paying its own way, we will continue to undermine the ability of municipalities to invest in infrastructure and we will continue to undermine Ontario's competitive position. Reforming the act must be a key component to Ontario's future prosperity and environmental sustainability.

In the fall economic statement, the government announced that an additional \$800 million in revenue would be invested in municipal transit and other infrastructure; \$300 million of that additional funding is being used to fund the municipal infrastructure investment initiative. AMO anticipates that the applications for this investment will exceed, many times over, the available amount. Responding to that demand with any further future surplus revenues would represent a very wise investment for the government.

The business case for investment in municipal infrastructure is strong in any economic conditions. Failing to invest and systematically undermining municipal capacity to invest in municipal infrastructure has harmed our economy. Gridlock, environmental degradation and failing transportation networks have not made Ontario stronger.

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Investing in municipal infrastructure strengthens the economy. It reduces the barriers that businesses face, and it stimulates economic activity directly through construction, and the multitude of large and small employers that supply the inputs to stronger and more sustainable infrastructure.

As we establish a provincial-municipal fiscal relationship fit for the 21st century, let us recognize both how far we have already come but also how much further we still have to go. Meaningful and sustainable change will take time. Guided by a common vision, together we will continue to improve a relationship that is so vital to the success of this province and to its communities.

Thank you. I look forward to any questions.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Toby Barrett: Thank you, Mr. Reycraft, for your presentation on behalf of AMO. We've had a number of municipalities testify over the past week and a half. In northern Ontario there was one community, I think it was 300 or 600 people—tough times with the decline in the forest industry. To use your words, they made it clear they do not have the necessary resources to meet their immediate responsibilities.

I just want to make a local pitch. Myself and Mayor Trainer represent the Haldimand-Caledonia area. In the last two years I haven't heard a skisaw, or a nail being pounded in anywhere in Haldimand county. And this is the plan; development has been shut down for two years.

There is no building at all and very little business activity.

To the west, a little closer to your area, you would be aware of the meltdown of the tobacco industry. Norfolk county—Mayor Travale—has potential for development but no water availability. For water and sewer there is no money. Neither county is eligible for gas tax funding because there is no public transit.

So through your organization, I'm asking for some advice off the top. Does AMO have a SWAT team that can go into areas where virtually every mill town is shut down within 500 miles? Should the Ontario government be able to rev up when we have these crises here and there throughout the province of Ontario? Again, I was thinking specifically of the two counties that I represent.

Mr. Doug Reycraft: Mr. Barrett, as I think you know, I come from a rural part of the province as well—

Mr. Toby Barrett: Next door, yes.

Mr. Doug Reycraft: If we had such a SWAT team, I certainly would be pressuring them to get involved in southwest Middlesex as well.

I mentioned in my comments this morning the fact that if we look back over the past 10 years and look at the billions of dollars that municipalities in this province have had to use for health and social programs, which are funded by provincial governments through income and sales taxes in other parts of the country—if municipalities had been able to use those billions of dollars to fund infrastructure investments, we would have areas that are more conducive to economic development and better able to support new industries and businesses that want to establish in our community.

Unfortunately, that hasn't been the case. We've had to divert those monies away from infrastructure investment and use them to pay for those health and social services. At the same time, we've had to ratchet up property taxes to the point where Ontarians now pay \$237 per person higher than the average Canadian in property taxes. The lack of money for infrastructure and the highest property taxes in the country produce a situation that is simply not sustainable for this province.

Mr. Toby Barrett: I know that there was an initiative a number of years ago that did subtract \$3 billion in education costs off the property taxes that we pay. Is it time to have a major revisit of that model?

Mr. Doug Reycraft: The thought went across my mind as I listened to the OSSTF presentation earlier this morning about somebody suggesting that we go back to those days of the 1980s and early 1990s, when municipalities across the province were, at that time, clamouring for a different fiscal arrangement because of the excessive burden of education costs on the property tax. So I do not encourage a return to those days. That would not allow us to increase our investment in infrastructure, nor would it help us to relieve that upward pressure on property taxes.

The Chair (Mr. Pat Hoy): You have about a minute.

Mr. Ted Arnott: Thanks, Doug, for your presentation. It was well done and well said.

You alluded to the fact that in the fall economic statement, the government announced a significant investment for municipal infrastructure. I have it here. They indicated that they would be making \$900 million in funding available shortly. Our municipalities were quite excited about that but were disappointed when they found out that the pool of money they're eligible to apply for is only \$300 million, as you rightly pointed out: the municipal infrastructure investment initiative. Again, this is kind of a lottery-based program, I'd call it, where municipalities are being asked to put forward applications with no assurance as to whether or not they'll be funded. They've been told that they'll be funded with 100% of the amount if they're lucky enough, and I'm getting calls from municipalities in my riding, asking me if they should be lowballing their request so as to have a better chance of getting money and seeking my advice in that regard. Quite frankly, I think the government has to be more forthcoming as to how they're going to administer this program fairly, so that every municipality has an opportunity to receive money.

As we know, the federal gas tax is shared with all municipalities, large and small, whereas the provincial gas tax is shared only with the municipalities that have transit systems, which is unfair to the rural and small-town municipalities that don't have public transit systems. Of course, they have transportation systems that they have to maintain. I would ask for your response to that in terms of AMO's position on whether or not the municipal funding programs should be made available to all municipalities so they have a greater assurance of provincial support going forward.

Mr. Doug Reyecraft: Let me say initially that we welcome the additional \$300 million that is available for the municipal infrastructure investment initiative. I recall from my own experience how much pressure there is on finance ministers when there are surpluses mid-year, how much pressure there is particularly from health and education for new investment in those areas. So we were pleased that that additional \$900 million was made available for transit and for other infrastructure across the province. One of the good things about this program is that the application process is a quick one. The application form itself, I think, is two pages, so it's not the onerous burden that some of these competitive, application-based programs in the past have been.

While we welcome the additional \$300 million for municipal infrastructure, we think there is a need for long-term infrastructure funding from the provincial government, similar to the federal gas tax, for which municipalities do not have to spend a lot of money and a lot of time filling out applications, waiting for months until learning whether the application has been approved or not, and in more cases than not being disappointed and left in the situation where they're actually worse off after the announcement of the approvals than they were before because of the costs they've had to incur to prepare the applications. So long-term entitlement programs like the federal gas tax are ones that AMO definitely encourages.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

0950

INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

The Chair (Mr. Pat Hoy): Now I call on the Interfaith Social Assistance Reform Coalition to come forward, please. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I'd ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Brice Balmer: My name is Brice Balmer, and I'm the secretary for ISARC. Greg deGroot-Maggetti is with me, and he's with ISARC on the board, and also with the Mennonite Central Committee Ontario. He has more of the economics; I have more of the grassroots struggle with what it means to work with people who are poor. I'm not going to read the paper to you. I'd just like to make some comments and hope that it opens up to a larger discussion.

ISARC started in 1986 when the Liberal government at that point did the Transitions report, which for many of us was a benchmark for looking at a number of things, such as the stigmatization of poverty and how there were some myths out there that were not true, what it would mean to really change the province so we wouldn't have long-term poverty and how we might move ahead into the future. ISARC was born out of that because the Liberal government of that day asked the faith people to come because the faith communities had been such a major part of establishing health, education and social services in our province. Ever since 1986, we've continued to discuss with governments the situation of the most marginalized people in our province.

ISARC congratulates the provincial government on its formation of a cabinet committee and the appointment of a cabinet minister to consult with Ontario's citizens and to construct an Ontario poverty reduction strategy. Elimination of poverty is complex and requires many ministries, so we're very happy that there's a cabinet committee. We're also glad about the extension of dental benefits and the hope that a comprehensive housing strategy in the province is going to move forward.

ISARC really is appreciative of the educational efforts and the forward thinking, trying to work toward a future Ontario. We need to have a good current Ontario, but we need to have a very excellent future Ontario. So some of the early years, the JK, SK, the public education programs and university and college training systems are very, very important. The problem we see is that when kids come to school and they don't have enough food and they live in unsafe housing, they do not get the advantage of the increased programs. So ISARC has been looking a lot at what we call the social determinants of health, and we see that many of the social determinants of health are missing for these children, for their families and also for single adults. We would encourage the province, now

with this Ontario poverty reduction strategy, to really look at the social determinants of health to make sure that we meet those so that people can take advantage of the education services and get to work and make a quality Ontario.

The faith communities in Ontario have been a major provider of services and provider of charity, especially food banks and emergency assistance, but we are burning out. We thought these were temporary measures, and so we established them, but now Out of the Cold has been going for almost 20 years in Ontario. More and more churches and faith communities, synagogues and mosques as well, are saying, "We can't continue this." Some of our volunteers are older; they don't want to be there overnight. We're also asking, "Why are we using our money for things that the province should be doing?" We're also very, very upset that some people are coming into the Out of the Cold program, and I speak mostly for Toronto and for Kitchener-Waterloo, when they have full-time jobs—and they still need to use the Out of the Cold program. What's wrong in our province that a person who has a full-time job cannot provide for their own well-being and take care of their own responsibilities? That's the kind of question we hear being asked.

Ontario has had a fiscal deficit. The province has worked at that. Ontario also has a social deficit which needs to be addressed. There's a growing gap between the rich and the poor in our province. While the wealthiest 10% of Canadians have gone over the top in terms of increased income over and over and over again through all of the past years since 1975, the other 90%—especially the other 80%, from 0% to 80%—have maintained almost a steady purchasing power. Their purchasing power has not gone up unless extra people in the family work.

ISARC calls attention to several budgetary items which we think are very, very important to increase our capacity as a province—and we certainly support what AMO was saying. We're also working with the Federation of Canadian Municipalities, which is saying the same things: that several issues really need to be addressed at this point.

The first issue is income security. At this point, ODSP people have 83% of the purchasing power they had in 1995, before the cutbacks—well, they didn't get cut back, but before the Harris government did what it did. The Ontario Works people have 64% of the purchasing power they used to have. I go on to describe that and also to describe some of the ways in which the different ministries need to work together, because in the end, if a person goes to work, they may end up with only 20 to 25 cents on every dollar of wage they earn if they're on ODSP or OW and live in affordable housing. They earn even less than that if their kids are getting OSAP or are getting bursaries for schools. So we propose that the budget begin a substantial increase in OW and ODSP as well as making sure that those programs are transitions into employment and build up the financial equity of the recipients.

Second of all, affordable housing: We've had some real ups and downs on affordable housing. I don't think we've gotten it right by any stretch of the imagination. If you have affordable housing, you can deal with some of the poverty issues and you have a stability that's very, very important. Again, a lot of people don't have it. The homelessness is increasing or maintaining the same numbers. So we think it's important for the province to put in new provincial monies for affordable housing units, for updating the current units and fixing the existing units, and for an effective strategy to decrease homelessness in our province.

Third, one of the issues you might not expect us to raise is that a lot of the people who are marginalized have jobs that are through temporary employment agencies—they're contract positions, they're temporary positions, they're seasonal positions. These have the least amount of regulation, and there are not enough people out making sure that those jobs are regulated. What we hear over and over again is that the people who are in those jobs, except for some who are quite wealthy, actually don't have the financial wherewithal, they don't have the social or the personal sense of pride or *chutzpah*, to really talk to employers about things that are going wrong. We hear of people who are waiting for two and three months to get their severance pay; or people who are never paid for a period of time; or people who just don't get money for their last two weeks of work; or many, many things—people who are paid less than the minimum wage, partly because they're doing contract work.

So ISARC recommends that the budget include substantial monies to increase the Ministry of Labour budget, both to look at labour regulations in a 21st-century world and also to enforce labour regulations.

ISARC has done *Lives Still in the Balance*; all of you who are MPPs have a copy of this somewhere. It is a social audit of the last four years. There are a number of recommendations in that book around dealing with poverty. We think it's a very important thing to have done, and we probably will do another social audit in about three or four years.

We also invite all of the MPPs to the April 16 religious leaders' forum, which will be at Queen's Park. We will be talking about the poverty reduction strategy and hopefully bringing people in from Quebec to talk about how Quebec has worked on this.

The government of Ontario has addressed the fiscal deficit over the past four years. It is now time—in fact, past due time—to address the social deficit in our province. To be a prosperous and healthy province, all residents must have the necessities of life. The most marginalized should not be dependent on the charity of the faith communities and, in a sense, the municipalities, as we just heard. They need the dignity of being able to assume responsibility for their lives and their families. I must say, working with people who are poor much of the time, they really feel the depression and the angst about not being able to take care of their own family or take care of themselves. They wish they could do that, and we

need to find a way to do that. This is their human right as defined by the United Nations in the covenants which the governments of Ontario and Canada have signed.

The Chair (Mr. Pat Hoy): Thank you. Your time has expired.

Mr. Brice Balmer: That was 15 minutes?

The Chair (Mr. Pat Hoy): Ten minutes.

Mr. Brice Balmer: Oh, okay. I didn't have anything else to say.

The Chair (Mr. Pat Hoy): Okay, good.

Mr. Brice Balmer: It's hard to keep a preacher to 10 minutes.

The Chair (Mr. Pat Hoy): I thought you had practised and wanted to know that it was exactly 10 minutes.

Mr. Brice Balmer: Thank you.

The Chair (Mr. Pat Hoy): Now we'll go to Mr. Prue and the NDP.

Mr. Michael Prue: I can't disagree with a single thing that you had to say, but all of this, of course, costs money. You were here this morning. You probably heard the teachers ask for \$2 billion, you heard the municipalities ask for money, and of course this will require money too. How do you propose the government get it? Where is the money going to come from? Do you advocate increasing taxes or cutting out other programs? What do you advocate?

Mr. Greg deGroot-Maggetti: Some of the measures we're calling for are the same measures that you heard in the previous presentation. The crisis around the lack of affordable housing needs provincial funding, so we're not asking for anything different in that respect than the Association of Municipalities of Ontario. Rebalancing how taxes are collected, taking it off the property tax, certainly makes sense in that respect. Raising the amount of income that we raise through provincial taxes would make sense to fund these kinds of things.

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Mr. Brice Balmer: ISARC is not opposed to raising taxes, especially among the wealthiest people. The faith communities are very deeply concerned about the gap between the rich and the poor. It's increasing and increasing and increasing. When I was reading Bill Clinton's autobiography, he talked about how part of what he did in the US was to put a tax on the wealthiest Americans. We've now heard that the wealthiest Canadians pay 30%, the poorest Canadians pay 30%, and those of us in the middle pay 35%. Why is it that there isn't more tax on the wealthiest Canadians? I think it's because of a lot of tax loopholes. But ISARC is not opposed to raising taxes. In fact, we've said it's all right to raise taxes at this point.

Mr. Michael Prue: You talked about a substantial increase in OW rates. We've had many deputations on this, some saying double digits, some saying at least 10%, some saying a 40% increase in OW rates. What does ISARC recommend?

Mr. Greg deGroot-Maggetti: Well, we recommend a couple of things—three, really.

First, there does need to be a substantial increase in rates. That's what we hear from the constituents that we work with across Ontario. So double digits would not be inappropriate.

The second is that they need to be indexed to the cost of living, the consumer price index, like Quebec and Newfoundland have done as part of their poverty reduction strategies.

But then the third is how rates are set. There has to be a logical and objective way to set them so that they meet basic norms of adequacy, so that as we move forward and adjust those rates to be adequate, they should at least be linked to the cost of rental housing in communities, the cost of a nutritious food basket and other essentials. So those would be the three things that we'd recommend. We don't have a specific percentage increase for raising rates, but I would say that we would agree with at least a double-digit increase.

Mr. Brice Balmer: One of the other things I would say, Michael, and Leanna Pendergast and I have both been on the community safety and crime prevention council here in Waterloo region, is that kids who are causing a lot of problems in Toronto and other places were seven years old when the welfare rates went down 21.6%. That means those children, now youth, have lived in dire poverty ever since they were seven years old. They have not been able to participate in schools like they should have been able to and have not been able to do a lot of other things that they should have been able to do.

So when we start balancing, do we want to do more police services or do we want to really go back and start to look at what is prevention and what is really addressing the problem so these kids don't end up where they've ended up? I think we really need to take a hard look at that, because we don't need more police in the Waterloo region; we need the programs in the community centres, we need an adequate income for their parents, and we need ways that those kids have hope. If kids have hope, they won't be doing crime. So I think we need to be very clear about where our priority is. Do we put more in police and then have a police state, or do we put more in crime prevention and adequately addressing the issues so that parents can take responsibility for their kids and start to do something positive in this province, so we have wholesome people who are graduated from high school?

Mr. Michael Prue: The poorest of the poor communities in Ontario tend to be First Nations. There has always been this jurisdictional argument: "That's federal, that's this, that's that." Should the province simply be doing what Quebec already does and many other provinces are doing, simply saying that they are Ontarians as well and start funding those First Nations communities in the same way that we would every other community?

Mr. Greg deGroot-Maggetti: That's a good question. I would say that at the very least, the province should release the money for off-reserve First Nations housing

that hasn't been used to build housing yet. There are other measures. I was in Moose Factory the other week talking to the grand chief and deputy grand chief of the Mushkegowuk council, and they pointed to the problem of the very, very low Ontario Works rates that impact those communities too. So there are some of these measures that need to happen to help First Nations communities both on reserve and off reserve where the province has a responsibility to act.

The larger question—I don't have a simple answer for that, but it's a very good question to raise.

Mr. Brice Balmer: I'm going to go wider. We met with 25 in 5 on Monday, and there were about 250 people there: 25% reduction of poverty in five years. One of the big issues is the racialization of poverty, and I think it behooves the government and all of the people in the Legislature to really take a look at how poverty has become racialized. That's partly why we're also looking at labour standards—how all people can get jobs. The aboriginal population is one of those racialization issues that I think we need to be very clear about. We cannot have that in Ontario any more.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

For the committee, our 10 o'clock has cancelled.

DEREK GRAHAM

The Chair (Mr. Pat Hoy): Now I would call on Derek Graham and Peter Williams to come forward, please.

Mr. Derek Graham: Thank you, Mr. Chair. My name is Derek Graham. I'm a professional surveyor. I'm familiar with at least two members of your committee, aren't I?

Interjection.

Mr. Derek Graham: And Ted. Thank you. Mr. Williams is storm-stayed north of Shelburne.

Welcome to Wellington county on its most breezy day recently.

I don't propose to read what you have in front of you and what has been sent to you, to your constituency and to your QP office. It's a very complex issue—a number of them. But it's basically the apparent disconnect between the services required, asked for, needed and the management thereof, and how they've been delivered. I could go on, as the honourable Deputy Speaker knows, about one particular area. He's been very helpful, as has Ms. Sandals, in listening to myself and Dr. Linders about our concern about the land registration system in Ontario that traditionally, as reported to the House, used to make a profit of \$18 million to \$31 million per year, and yet it appears to us that the services being delivered and the costs therein have just skyrocketed.

I don't know how many of you are members of the bar or practise real estate, but the concept in Ontario is that it wasn't until 1867 that there was a necessity to register an interest in land, and yet interests in land were created. Professional surveyors must go back to the time when the

parcel was created initially and bring it through to today to see if the parcel is described today as it was pre-1867, and all the parcels in between were identical, and then to relate that out on the ground.

One of our great difficulties—I added that, and make it quite clear that the individual shown on the picture on the last page is quite a competent individual. It was not his doing that caused the records in Wellington county to be thrown out. That is a great and serious shame.

So, Mr. Chair, I'm basically saying that I don't want money. I don't want money. I'm glad that that brings smiles to a number of your faces. I'm suggesting quite strongly, as I have, that the Provincial Auditor, now the Auditor General, be brought forward on this and other issues that I've mentioned to do a value-for-money-spent audit as opposed to a mere audit. The Provincial Auditor has been doing a great job, the Auditor General is doing a great job, but the value for money spent does not appear high on the priority. You've got your money; let's see how it's being spent.

The Chair (Mr. Pat Hoy): That concludes your presentation?

Mr. Derek Graham: As Ted knows, I can keep going.

The Chair (Mr. Pat Hoy): Right, okay. We'll move to questioning, and it is the government.

Mrs. Liz Sandals: That would be me.

Mr. Derek Graham: Uh-oh.

Mr. Ted Arnott: I'd like to be in government.

Mr. Derek Graham: It can be arranged, Ted.

The Chair (Mr. Pat Hoy): I thought he was going to say something.

Mrs. Sandals:

Mrs. Liz Sandals: Thanks, Derek. Ted and you and I are having an ongoing conversation, obviously, and we have the benefit of having spoken to you previously and understanding some of your underlying concerns. But I think it actually should be helpful if you could back up a bit and explain to the other committee members some of your concerns around land titles based on surveys and how we're sort of getting away from the underlying survey, which I think is your underlying concern in all of this.

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Mr. Derek Graham: That is one, yes.

Mrs. Liz Sandals: So I think it might be helpful if you sort of explained some of our concerns to the committee.

Mr. Derek Graham: Okay. Brevity is the soul of wit, so that may be—

Mrs. Liz Sandals: Yes, so you have to get this very concise.

Mr. Derek Graham: Think of the world, Mr. Chair and fellow members and your support staff, as a checkerboard. A solicitor, a lawyer, practising real estate law opines on the quality of the colour of the square. The surveyor must opine on how big the square is and how it has to fit. So that information must be readily, ably found. In the Guelph registry office the staff work very

well, but they're up against a raft of microfilm. So if I'm searching title of a property in Ted's hometown, in behind the Anglican church, it took me three days. Prior to that, prior to the electronic registration system, I estimated it would take me half a day. It appears that the costs of delivering the present service—we keep funneling money into this private sector-public sector organization. So the clear ability to get the information isn't there.

It is said, "Oh, well, we only have 1% error in this system." Yes, in the colour part of it, because all you're looking at is paper. A lawyer must go back 40 years; a surveyor must go back to the creation of the parcel. As I said in my presentation here, I'm doing something up on Highway 6 and it's back in I think 1861 that I'm looking for something. And that was a long and tedious search back through a multitude of microfilm records. It's my belief that in the Brantford registry office, this material is available on disk. So there's an inequity across the province of the ability to get information.

If Mr. Arnott asks me to go and search something for him, I don't know how long it's going to take. "Mr. Graham, what do you mean, you don't know how long? Don't you know what you're doing?" After about 50 years of this, I'm getting more of a clue, and I can't tell you how much it's going to be. It used to be \$5 to look at the abstract index for a particular lot. I was searching title next desk to the Honourable David Tilson at one time and it was nine township lots: nine times five is 45. Today a minimum per parcel is \$8. I had 65 parcels in those nine township lots. Do the math. So it's 65 times eight, which the honourable member will be able to do faster than I, and yet the system isn't delivering what it should.

So I'm not asking for money. I like that smile. I'm suggesting that value for money spent in that program, the RAQS program and Ontario Realty—I keep calling it public works—you're spending too much money to hear the slap of the beaver's tail or the nail being driven down in Haldimand county.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

GUELPH NON-PROFIT HOUSING CORP.

The Chair (Mr. Pat Hoy): Now I call on the Guelph Non-Profit Housing Corp. to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Sandra Ferguson-Escott: Thank you very much, Mr. Chair and Honourable members, for allowing us time. I just want to make it clear up front that we are asking for money. Hopefully that doesn't wipe the smile off your faces. It's nice to see friendly faces and familiar faces as well from our locality. I know there's a lot of understanding here.

I'm Sandra Ferguson-Escott. I'm a member of the non-profit board. With me today is Harry Blinkhorn. He is the housing operations manager; that's for purposes of expertise and skill, as opposed to just talking. I am new to the board. I enjoy the board. I will apologize right upfront: I've been up for 24 hours due to a little bit of an emergency in my business, so I'll try not to slur any of my words or anything else.

First of all, I'd like to say that we have four requirements. We have given in our handout and some of my speaking notes, just so that nobody forgets what we're asking for—and a few statistics. We are here to request additional funding for non-profit housing.

Our first request is that we need new units beyond what we currently have. We would like 100 new units to help support those in need who are on a very long waiting list. We would like capital costs of between \$85,000 and \$90,000 per unit so that at the end of the build-out we'll have a manageable mortgage.

We would like an increase in the current capital funding allowance. This is going to be used to eradicate the impending deficit for both our existing and new units that will be available.

We need a 10% increase in the current operating allowance to be used for proper maintenance and upkeep of the current and new units that will be managed to avoid a slum-creating environment.

We also need funding to enable our housing to meet the Accessibility for Ontarians with Disabilities Act, with which we want to comply. We have clients who require this. We want to meet these needs, but we do not have the existing funding.

The Guelph Non-Profit Housing Corp. was officially incorporated in 1988 with the primary objective to provide and operate housing accommodation primarily for persons of low or modest income. We currently have 545 units, 82% of which are subsidized and 18% of which are at the market rate.

Applicants qualify because of income, being at risk or having serious medical problems. A great number of our applicants are seniors who have no family support, who are starting along a disability issue or problem, and a lot of them also have social isolation. This is our clientele whose needs we are trying to meet.

The Non-Profit Housing Corp. works with the community and community partners to address and supply affordable housing. This local activity is clearly in support of the provincial goal of achieving a high quality of life for all Ontarians. ReNew Ontario is a five-year infrastructure investment plan which incorporates an investment of more than \$600 million by 2010 in new affordable housing investments. This is our first ask: We do want part of that money.

In the award-winning Places to Grow initiative, the goal of sustaining a robust economy, building strong communities and promoting a healthy environment is paramount to its success. Places to Grow clearly states: "Investment in community infrastructure—such as hospitals, long-term-care facilities, schools and affordable

housing—should be planned to keep pace with changing needs and to promote more complete communities. In the case of housing, there is an underlying societal need for affordable housing in many municipalities that is heightened by growth pressures.”

We are a community with severe affordable housing investment needs, both for capital and operating.

Firstly, as we all know, the economy is splitting between the haves and the have-nots. All the while, the housing requirements in low-income segments are not keeping up with the need.

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Guelph is a growing community, and there’s a diminishing supply of multi-unit housing. Construction companies and builders are not interested in building multi-unit facilities when single-family homes are what is supplying their needs.

The apartment vacancy rate has declined from 2.8% to 1.9% in 2007, which is the lowest rate since 2001. Residential construction in total is at its lowest since 1998. Additional investment requirements have been placed upon us to meet the needs of the accessibility for Ontarians act, and we believe that is a critical need. Unpredictable programs for new units do not allow us to support an infrastructure. When a program comes out, you need to do your reports, you need to do your investigation, yet we do not have the infrastructure that will allow us to jump on these programs as quickly as we need to to avail ourselves of them. The programs are sporadic; you don’t know when they’re coming. You can’t build up your employee base with the expertise that you need to respond to them.

Not only does the current funding not address the short-term operational needs, but it’s well known that the long-term requirements for capital funding will be in a deficit position within the next two years, growing to monumental proportions by 2030. In our city alone, it’s going to be a deficit of \$32 million by 2030.

Our request is simple: Keep the funding levels for the daily needs of our current affordable housing clients; invest additional funds to ensure the long-term support and sustainability requirements are met, both on an operational and capital funding basis; and then insert further funding to allow the growth of the program to meet the needs of those who currently wait on our list for assistance.

Please do not believe that the current economic times will automatically bring into line the needs of those who so greatly need our support and assistance. Only the right investment will allow those in need to in turn give back to their community. An individual or family should not be required to make the choice between food and housing. It’s not valid, and it puts us all at risk.

The Chair (Mr. Pat Hoy): Thank you for your presentation. This round of questioning goes to the official opposition.

Mr. Ted Arnott: I want to thank you very much for the sincerity of your presentation and for coming in today, because it is very important that the committee

have the benefit of your views. I’m sorry I was dragged away for a minute there to speak with my constituent who had made the previous presentation, but I did have a chance to hear the tail end of what you had to say.

I would certainly agree with you that the provincial government, with its poverty agenda, has raised an important issue that is going to require a lot of discussion during the course of the next three and a half or four years, and the whole idea of poverty benchmarks to demonstrate improvement is something that is going to be a positive reform. I’m interested in more details from the government. So far, we have a new minister who’s been charged with this responsibility, but we’ve heard very little in terms of detail till this point in time. Certainly, those expectations have been raised. Have you had a chance to meet with the new minister who is responsible for this new agenda?

Ms. Sandra Ferguson-Escott: No.

Mr. Ted Arnott: Because I’m sure you’d want to have that opportunity to meet with her and give her the local information as to what—

Ms. Sandra Ferguson-Escott: We would love that.

Mr. Ted Arnott: I would hope that that would be forthcoming.

What sort of consultation do you think would be most appropriate for the new minister so as to allow the groups and individuals who wish to participate in this discussion to have that chance and opportunity?

Ms. Sandra Ferguson-Escott: Certainly from my perspective—and I’ll ask Harry to comment as well—it’s extremely important that the consultation is at a grassroots level. The people who manage the housing know better than anybody the problems that come from managing aged housing. The funding for operational is remaining barely level, yet the buildings and the grounds are getting older. As that happens, you need to up your investment into your housing so that it does not become overrun with problems. If you don’t keep up your maintenance, then you’re going to create an environment that is good neither for the clients nor for the people who are trying to manage it. So my input to that would be right at the grassroots, right at the people who are responsible for the managing of the housing on a day-to-day level.

Harry, can you add to that?

Mr. Harry Blinkhorn: I think you said it very well, Sandy, but I would add that residents also have a very big stake in this and they should be included in the discussion as well. It’s extremely important that they feel they have been heard and are being elevated in their needs.

Mr. Ted Arnott: Do you have anything further you’d like to add? I know the time constraints are such that sometimes people have additional points they want to make. Do you have any additional suggestions or advice? No? Thank you very much, once again, for your presentation.

The Chair (Mr. Pat Hoy): Thank you.

WELLINGTON WATER WATCHERS

The Chair (Mr. Pat Hoy): Now I call on the Wellington Water Watchers to come forward, please. Good morning. You have 10 minutes for your presentation. There could be five minutes of questioning following that, and I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Mike Nagy: Absolutely. My name's Mike Nagy, and I'm representing the Wellington Water Watchers today. It's safe to say that we are representing over 600 people, and we formed just under one year ago. Our mandate, you can see on the attachment. Basically, we are a volunteer organization focused on protecting groundwater resources, promoting tap water and dealing with provincial policy. We've given input into provincial policy already, and we've met with a senior policy adviser to the Minister of the Environment on water.

Today we would like to talk about four main priorities that we would like the finance committee to consider, and that's with regard to tap water; the environmental farm plan; the Ministry of the Environment and the MNR; and highways. I'll go through this list with you and then welcome questions. So thanks very much for having us speak today. It's very much appreciated.

On tap water, we'd like to emphasize that tap water is actually safer than ever and always was pretty safe in Ontario. Ever since the Walkerton situation, it's much safer, and the public generally does not know this or have this feeling. This is a concern to us. Bottled water, as you can see, is being served here as a beverage, and I'm really happy to see that there's tap water on the table. We have concerns over the perception of tap water, and a provincial campaign is needed to reassure the public on the safety of tap water as a safe and high-quality thing that they can access.

Bottled water creates an enormous amount of waste which has been downloaded onto already financially strapped municipalities, and this is a great concern, including greenhouse gas emissions from the manufacture and delivery of bottles and the entire industry itself.

The province possesses a tremendous opportunity for influencing the public on energy use, food choices and all sorts of things. Through financial incentives and disincentives, we believe the province can play a tremendous role in promoting tap water as a better alternative. We would like to see the province fund and go back to the returnable bottle system that was in place for decade after decade and was very successful in Ontario, and that would be for water and pop and other beverages.

We'd like to see a tax levy put upon one-time water bottles and other one-time beverage bottles. This is very important. The province needs to step up and really go after waste in a real way, and that's heading it off at the front of the pipe.

We'd like to see the subsidizing of reusable stainless steel or aluminum bottles. We believe that every school-

aged child should have one of these. Instead, we have pop and bottled water being dispensed in public school, and fountains have been removed; fountains aren't maintained properly. This isn't acceptable. We have children growing up who think that clean water comes out of plastic bottles.

We'd like to see an increase in the levy on water taking by bottlers. This levy was introduced last year but amounts to approximately two-millionths of a cent per bottle. Bottlers are taking a public resource and commercializing it for profit. We don't believe in this, but first of all, we'd like to see a levy put on—the equivalent of about 10 cents per bottle—to have a true impact on reducing the amount of bottled water being consumed.

More importantly, the province has a tremendous ability for public campaigns, and we believe in launching public TV ads similar to ones on energy conservation and all sorts of other things that are done. We believe the province can take a lead role in promoting tap water as an environmental and best economic choice for its citizens. We would be very pleased to assist in any way if the province requested our help in developing such a campaign.

1030

The environmental farm plan is an extremely important and very successful program, which is primarily federally funded but it's a joint provincial-federal campaign. We would like to emphasize that this is one of the best ways that farmers can help protect groundwater and groundwater resources. Those who participate are very pleased with it. It's a tremendously successful program; however, participation rates aren't as good as they could be because there is just not enough funding for people to go to the farmers. It needs to be taken to the farmers, not the farmers going to the program. It is probably one of the single best examples of stewardship in the province—streambed rehabilitation, fencing and keeping cattle out of waterways. We would really encourage the province, which supports this program from a material and logistical point of view—photocopying and counselling—but more from a funding point of view, to dovetail with the federal funding because that federal funding is not secure.

I have a gentleman, John Benham, who works for the county; he's 77 years old. He's an example to us all of how we should live our lives. He's not going to be around forever, and he literally works seven days a week trying to promote this program, most of it on his own time. We need more people like him, funded by the province, who can take this to the farmers.

The Ministry of the Environment and Ministry of Natural Resources: This is of great concern. We believe that these two ministries are severely underfunded and require an immediate and long-term injection of funds, as they are ill-equipped to perform their mandated duties, especially in terms of enforcement and inspection. In April 2007, the Environmental Commissioner of Ontario, Gord Miller, released his special report called *Doing Less*

with Less. In this environmental audit, the commissioner found that “the budgets of MOE and MNR have not kept pace, in real terms, with the increased responsibilities of the two departments. Instead, there have been episodes”—and you can see this in the report—“of significant cutbacks” and, as I state here, “intermittent periods of partial recovery and long periods of constraint.” In fact, in 2006 constant dollars, both the budgets of the MNR and the MOE are significantly—18% to 34%—lower than they were 14 years ago. That’s on page 2 of his report.

Also the Ministry of Natural Resources is unable to carry out adequate numbers of watershed-based studies in order to provide proper assessments of the state of natural heritage systems and the cumulative—and this is very important—impact of all sorts of operations and activities. As the commissioner reported on page 11, the MNR has lost expertise with operating budget cuts, which includes hydrogeological expertise with respect to quarry operations. The MOE is generally understaffed and underfinanced, receiving a very small proportion of the provincial budget and relatively less than other jurisdictions, and this is inconsistent with the message that our government is trying to give. We can’t protect groundwater resources if we can’t enforce and if we can’t do studies. Particularly the permit-to-take-water process is not adequately vetted, and approvals are most often granted with one-dimensional data only. We support the commissioner’s recommendation for a “step-wise, strategic rebuilding of capacity at MOE and MNR to ensure that the ministries can fulfill their mandates.” It’s not fair to ask ministries to step up on something so important as groundwater, drinking water and protecting watersheds if they’re not funded to be able to do that.

Last, we’d like to address highways, and this is a very big issue in Ontario. There’s a move to put more and more 400-series and multi-lane highways in. I can’t emphasize enough that highways are one of the most serious threats to human health in our natural environment. These large and overly expensive structures compromise surface and groundwater for many reasons, such as the hidden area of massive amounts of gravel which are required to build these structures that we class as unnecessary: They sequester large volumes of water and, in fact, often contaminate that. The runoff from these motorways contains numerous contaminants such as heavy metals, toxins, salt and petroleum waste which contaminate soil, groundwater, and aquatic life. The physical footprint of these structures displaces food lands and natural features including wetlands and other natural water recharge areas.

We’re saying that all the billions of dollars for new 400-series highways do not need to be spent. Actually, we would prefer to see that money spent on public transit, education, and definitely light rail and things that are more environmentally supportive.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the NDP.

Mr. Michael Prue: Wonderful ideas here. I can see right here in this hotel that they’ve got bottled water. We have some real water on the table for us, but for people in the audience here, they have to go get the bottled water. I am constantly amazed that people think it’s somehow better, purer or anything else. In fact, I think the water that comes from our taps is often of better quality. Would you comment on that?

Mr. Mike Nagy: Actually, I can comment on that directly. Bottled water is an unregulated industry. It’s classed as a food product. It does not have to meet the strict standards as does Ontario tap water. As a matter of fact, Ontario tap water meets some of the strictest standards in the world, and it is something that we should applaud. There are countries around the world that are just dreaming through the night of having tap water. They have to drink bottled water because their water is contaminated. Now we think that tap water is not good enough for us; we have to drink bottled water. It’s the ultimate irony; never mind the waste. The waste is a huge problem. We’re talking billions of bottles a year. We had a beautiful returnable system at one time.

Mr. Michael Prue: I want to get to that. In some jurisdictions around the world, when you see bottled water on the shelf, they’ll have a little sign that there’s a five-cent or 10-cent deposit on those throwaway plastic bottles, so they have to come back. Should we be encouraging that, or should we be going back to a glass container that can be used over and over again?

Mr. Mike Nagy: There’s no single better way to reduce waste and to influence consumption than at the front end. Here we have all of these waste reduction programs, but it’s all dealing with stuff at the end of the pipe, not at the front of the pipe. We believe that bottled water should come in coloured glass bottles so that it identifies from what watershed it’s from. Then it can also be returned and refilled, just like we used to do with all of our pop.

It wasn’t the consumer who got rid of that; it was actually the beverage industry that lobbied the provincial government in the 1980s and the early 1990s to get rid of the returnable system because they knew it was profitable to download that waste onto municipalities. We need to go to a returnable system for both pop and water.

Mr. Michael Prue: You are recommending that the province get into the game of advertising the safety of the water. I know that in the city of Toronto they do a lot of things; they have a facility that they truck from place to place where they can have water at the Beaches jazz festival, or down at the—

Mr. Mike Nagy: Yes, it’s called H₂O to Go.

Mr. Michael Prue: That’s the one. Should the province be funding municipalities to have that so that people will take advantage of water and not be forced sometimes to pay \$2.50 and \$3 for a little tiny bottle at public events?

Mr. Mike Nagy: I’m very heartened to hear that. That’s actually a tremendous suggestion. As Wellington Water Watchers, we’ve twice staffed a tanker, one which

was sponsored by the city of Guelph; one was sponsored by Guelph-Eramosa township and others. That was to dispense tap water donated by the city and township on a mobile basis at public events. But these facilities are very difficult to get. The H₂O to Go—or HTO to Go, they call it—is a very portable trailer, and those sorts of things could receive provincial grants so that municipalities can fund those. They would do more to promote a public resource than anything else.

Mr. Michael Prue: I am constantly amazed at the number of people who think that the water they're buying is better or that it tastes different. I have no idea. Has anyone ever done any studies, or is it just because you pay for it, and you pay a buck for a little bottle that you can pour out of the tap for a minuscule millionth of a cent?

Mr. Mike Nagy: You're asking some very good questions. They've actually done blind taste studies, just like the Coke and Pepsi challenge, and tap water has won almost every time. Toronto just received the third-best tap water taste in a North American international challenge. Toronto has a perception that it has dirty water, but its very deep Lake Ontario water is one of the cleanest. So tap water generally wins, even over bottled water. It's the packaging that you're paying for. There's a perception that goes with that.

There needs to be more education. If there is a taste issue, then the cities generally try to address that. I know that most municipalities do try to address it.

Our ultimate goal is to see chlorine phased out totally. If we protect our watersheds and do the things that we're asking here, generally we won't even require chlorine down the road. It's just more of a stopgap because of the Walkerton issue. The chlorine levels have gone up so high in some areas, as the pendulum has swung so far—we'd like to see that come back to a more reasonable level, with the long-term goal of eliminating it.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

1040

GRANT CHURCH

The Chair (Mr. Pat Hoy): I'm advised that our next presenter is not here yet but that Grant Church would come forward now. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I'd ask you to identify yourself for the purposes of our recording Hansard. We appreciate the fact that you're willing to come forward now. Go ahead.

Mr. Grant Church: My name is Grant Church. I live in Cayuga and I work in a stamping plant in Dundas.

Electricity impacts every aspect of our life and work in Ontario. Every product and service utilizes electricity, so the impact of higher energy costs has a compound and domino effect. Our price is already higher than in many other jurisdictions, and any further rise will bring serious economic damage to our citizens and industry. It now looks like Ontario will be last in economic growth both

this year and last. Your electricity plan would condemn us to a perpetual last-place finish.

In the fall throne speech, the Lieutenant Governor said, "Your government will replace coal, double renewables, double conservation and modernize our nuclear capacity." In the September 1, 2007, episode of Focus Ontario, Dwight Duncan, the then Minister of Energy, said that the Liberal government would double renewables and double conservation. In an August 29, 2007, letter, Premier McGuinty said, "Our plan to replace coal-fired generation will help Ontario reduce greenhouse gas emissions by up to 30 megatonnes."

At no time was it mentioned that the government was planning to more than double gas-fired generating capacity to a further 7,000 megawatts or to almost triple production from gas to 30 terawatt hours, which can be found in OPA documentation. The government is virtually replacing coal, megawatt for megawatt and terawatt hour for terawatt hour, with gas-fired power plants, and there is not a word about it from these three sources. Why are you hiding this? Why are you not being upfront and open? Is it because of the expense of gas-produced electricity or the reality that greenhouse gas emissions will not be cut by 30 megatonnes? With gas, the cut will only be about 10 to 15 megatonnes.

I'd ask you to turn to page 3. Natural gas production is falling in Canada and across North America. The National Energy Board reports that gas production will be down by 2.1 billion cubic feet per day, or 12%, by 2009. If you look at their graph here, they show three scenarios, and they're all tracking downward. Your plan would take about one billion cubic feet per day of gas to make electricity—we'd be down two billion in supply and up one billion in demand. It can't happen. And under NAFTA, we are bound to supply the United States; we can't simply cut them off.

Enbridge chief executive officer Patrick Daniel told reporters that there's a real scramble in the west to keep up with demand and that shorter supplies are looming: "When we say that we're expecting a shortage of natural gas, that of course is at a certain price to the consumer."

"A certain price"? Last year, my gas contract went from 19.4 cents per cubic metre to 34.8 cents—"a certain price."

Turn to page 4 and look at Canada's exploration treadmill: The amount of wells drilled quadrupled, maintaining flat production but sharply reducing reserves. If you look at the bottom graph, it shows that the NEB projections are in line and that gas production is falling.

On page 5, there are four scenario graphs, and the situation is worse than all four predicted in 2003.

On the bottom of page 6, you see a graph that shows the productivity of gas wells drilled in western Canada. Today it is one third less than it was 10 years ago.

Page 7: What will this do to the price of gas, which is already so high? CIBC World Markets estimates that the gas price will be \$12 to \$14 per million BTUs by 2015, double what it is now.

Why is gas so expensive? The Americans built 200,000 megawatts of gas-fired capacity from 2000 to 2004, the equivalent of 50 Nanticokes. This was based on the National Petroleum Council's prediction that gas would be around \$3 per million BTUs through 2015. These plants ended the surplus of gas and put the market into a tight supply situation which tripled the price.

Page 9: What will happen to the price of electricity? The government electricity plan will cause a sharp price rise, but the Ontario Power Authority is severely underestimating the impact at only a 15% to 20% increase. CIBC World Markets estimated the commodity portion of the bill will rise 70%, to 8 cents per kilowatt hour.

In November 2005, after the hurricanes knocked out oil and gas production in the Gulf of Mexico, the Ontario generators were asking 14 cents a kilowatt hour. By December, Lennox was asking 19 cents per kilowatt hour.

At the bottom I've recalculated my electricity bill. I've added the 70% increase to the commodity portion, added an estimated \$4-a-month smart meter fee, and my bill goes up 34%. It's similar in other jurisdictions that I've calculated.

How will the government electricity plan affect the economy? As I drove through northwestern Ontario in June 2006, the newscaster started with, "Another day, another plant closing." This could have been repeated dozens of times since then as dozens of plants have closed and tens of thousands of people have lost their jobs.

The president of Dow Chemical in 2005 said, "High gas prices are wreaking permanent damage on the petrochemical industry"; August 31, 2006: "Dow Chemical is shutting down all its production at its operations in Sarnia ... and closing two plants in Fort Saskatchewan, Alberta."

Three years ago you heard from Weyerhaeuser. Since deregulation, the price of power has increased 36%. They also said we are the highest-cost jurisdiction from an energy perspective. They also asked that you keep the coal plants open to keep the price of power down.

In the fall session of the Legislature, it was mentioned by Howard Hampton that Inco was moving its copper smelting operations from Sudbury to Montreal because the electricity is much cheaper there. It is clear that we are being priced out of the market, and by closing the coal plants and replacing them with very expensive alternatives, the economy will be devastated.

Further, how is it that Premier McGuinty can come to Hamilton and offer Dofasco money to replace natural gas with coal and make them more competitive, while on the other hand he is replacing coal with natural gas, which will make all industry less competitive?

I have to skip over this section on the advancements in emission controls because of time, so if you could just turn to the last page.

Stéphane Dion, the federal Liberal leader and former environment minister, has promoted solving greenhouse gas problems with technology, even developing the technology and exporting it to the world. Al Gore, in his

documentary *An Inconvenient Truth*, never mentioned closing down coal plants, but he did point to carbon capture and said, "Watch this one."

A company called CO₂ Solution has perfected a concept developed at Laval University that uses a biological catalyst to isolate the CO₂ and immobilize it in an inert solid. It has been successfully field tested at a garbage incinerator. One of the most exciting technologies developed is using algae to absorb CO₂, which can be effectively used to make biofuels.

I hope you consider this report carefully. Will you take the course of action suggested by people like Stéphane Dion and keep our coal plants open, or will it be another day, another plant closing?

1050

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mr. Wayne Arthurs: Mr. Church, thank you very much for your presentation this morning. It was well documented and certainly gives everyone pause for thought as we look at all of the alternatives. Clearly, among the things the government has been doing over the past few years is putting some energy into renewables. When we took office, I think there were some 10 wind turbines in the province. Now there are probably well over 300, with another 400 being completed. The largest solar program in North America is being developed in Sarnia. So we're certainly looking to clean, green, renewable resources of energy as one of the strategies. The nuclear fleet is going to be either refurbished or, where necessary, replaced to continue to have the stable baseload of nuclear production in the province of Ontario as well.

Our objective, in part, as I'm sure you will be aware, as are others—we came to office in 2003. That summer, the lights went out, and more than once during the past couple of years we've tried to get in place a plan for a sustainable energy strategy and ensuring that the lights do stay on. They have to this point, and we have our fingers crossed that that's going to continue to occur. It's unlikely, in my view as a member, that we're going to turn our backs on the closure of coal plants as capacity allows that to happen. The early and, I think everyone would agree, very aggressive time frame was maybe ill-advised at that point. That had to be reconsidered as we've gone forward.

I appreciate your comments here. Specifically, you're saying that your preference would be to see us keep the coal plants in operation and attempt to make them better-functioning units than they are today. Is that a fair assessment?

Mr. Grant Church: Oh, definitely. The rest of the world is doing it. And there's no engineering problem to it. It's certainly a political decision. I had to skip over a whole section on emission controls, but I can tell you—in this case it happened to be a mining operation, but they used what they call an integrated sulphur scrubber, wet ESP tower, which has sulphur removal capabilities, along with superior particulate emissions. There used to be a plume

visible for 40 miles; it was eliminated. New Brunswick has installed this kind of equipment at their Coleson Cove plant, which was converted to get off oil and go to orimulsion, which is basically liquid coal, but Venezuela backed out and they had to go back to oil. Now get this: They're going to burn petroleum coke, which has greenhouse gas emissions that are 25% worse than coal.

But all those hazardous air emissions can be very readily dealt with. I've toured a plant in the States and seen it with my own eyes. It was beyond my wildest imagination how effective it could be. That company, Powerspan, was contracted by the US Department of Energy to develop their patented ammonia-based CO₂ removal system. It was developed and ready to go in two years, and now it's going to commercial deployment in Texas.

These types of things are happening all over the world. In Arizona, a company called GreenFuel is developing the use of algae, and an interesting thing happened: As they were scaling up the algae system—it's in a greenhouse; they built a greenhouse longer than a football field. There was a dramatic increase in the production. They figure that with this it would be, I believe, 80 times more effective than using corn or 140 times more effective than using soybeans to make ethanol. And with algae, from the lipids you make diesel fuel, from the starches you make ethanol and from the protein you make cattle feed. There may come a day when there could be companies wanting to locate near a power plant to get the CO₂. I think this is what Stéphane Dion sees: that there is potential, and this is what's happening around the world. I've got a whole book full of stuff with me, and all the government's plan will do is drive the price higher.

What will Weyerhaeuser do? They came to you nicely, they told you what was happening, how expensive it was to operate in Ontario. Are they going to stick around any longer? How many plants have we lost in northern Ontario? You got a testimony from NOMA when you were up in Thunder Bay and I think they were saying there's only one sawmill left running in north-western Ontario. You see what I'm getting at? It's the price.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONWARD WILLOW-BETTER BEGINNINGS, BETTER FUTURES

The Chair (Mr. Pat Hoy): I now call on the Onward Willow-Better Beginnings, Better Futures to come forward.

Good morning. You have 10 minutes available for your presentation. There could be five minutes of questioning. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Ms. Lorna Schwartzentruber: My name is Lorna Schwartzentruber, and I'm the program director of a community-based primary prevention program here in

Guelph called Onward Willow-Better Beginnings, Better Futures. We are an organization of community residents and partners working together to improve the lives of children and families in our immediate community.

I'd like to paint a bit of a picture of our specific community. We are a neighbourhood of approximately 1,400 families living in one square kilometre of northwest Guelph. We have the lowest incomes in the city, with many who are on various forms of income support, but a greater number who make up the working poor. We have the highest concentration of subsidized housing and rental accommodation, the highest percentage of single-parent-led families and the highest number of newcomers to Canada making a start in our particular community.

Ontario is one of the most prosperous jurisdictions in the world, yet we have a high rate of child poverty. When we hear stats like one out of six children live in poverty, that means families are living in poverty, too. We know this to be very true, as we see the faces of these statistics on a daily basis.

I'm here today to present to you on behalf of our community and the larger coalition of concerned people working in Ontario. What we want to present to you is that oral health should be a key component of any strategy to address poverty and health in Ontario. I'm not a dentist, I'm a community organizer, and poverty is a health issue because of the strong association between health and income. Oral health is of particular concern because, unlike medical care, dental care is not covered in the Ontario health plan.

No one in Ontario should be left in dental pain or with abscesses because of lack of funds, yet every day it happens: A teen or adult shows up in an emergency room of the hospital in terrible pain, but is sent home with a prescription instead of treatment unless they can pay for that treatment. Many cannot. The emergency room deals with the acute issue, at quite a cost, but the person is left with the problem, and it will come back. We know of new moms who have had an abscessed tooth and are trying to nurse their baby, but are in such pain that it impacts both mom and the baby. We see what happens to a family when there is no confidence due to a mouth full of rotting teeth as it impacts employment, employability, friends, community life, parenting and overall health.

Oral health is a real concern because, I will reiterate, unlike medical care, dental care is not covered by our Ontario health plan. We cannot ignore the importance of making sure that Ontarians have access to at least relief of dental pain, just as they do for other areas of pain in their bodies.

We know that oral health is an integral part of general health. There is evidence to link gum problems, or periodontal disease, to low birth weight babies, diabetes and stroke.

Canadian data suggests that Canadians experience a substantial number of days of lost work as a result of dental problems, and that 3.1 days per 100 children are lost from school because of dental problems. That's

referenced in a study from the University of Toronto. As stated earlier, oral health affects people's ability to even get a job and keep it.

In Ontario, there already exist a number of dental programs like CINOT, Ontario Works and ODSF that help with a specific group of low-income people. However, these programs exclude those who are working at low-paying jobs with no benefits, teens and seniors on a fixed income.

1100

I want to note that while it is important to get people out of pain, we need to look also at preventive programs for the long term that would offer the community preventive-type treatments such as cleaning and fluoride and fissure sealants as well as health information.

It is admirable and imperative for the government to enhance the social safety net for Ontarians by promising \$45 million for dental care for low-income families. It's great to begin to see some recognition of this need. But we are here today to encourage the government to follow up their political commitment toward a poverty reduction strategy and develop a means for low-income people to access the dental care they need and deserve. This does require designating funds, and that is where you come in.

Dental health is the window to the health of the rest of the body. Please commit to developing a program to support low-income families in achieving good dental health and thus good general health.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the official opposition.

Mr. Ted Arnott: Hi, Lorna. Thanks very much for your presentation. I would agree with you that more needs to be done to ensure that all Ontarians have access to quality dental care and that oral health is prioritized. Certainly if the government has made commitments in that regard, you can expect the opposition parties to attempt to hold them to their commitment over the next three and a half years.

You were very modest about your program, and I was wondering if you could tell the committee a little bit more about what you do, generally speaking, in the community that you serve, the history of your program, so that the other members of the committee—I know Mrs. Sandals is well aware, but some of the other members may not be.

Ms. Lorna Schwartzentruber: Sure. I'd be glad to. Onward Willow—Better Beginnings, Better Futures began 15 years ago under an initiative of the provincial government, and our core funding is through the Ministry of Children and Youth. We are one of eight sites in Ontario who are dedicated to creating healthier lives for disadvantaged children and families. So that really is the focus. And as I painted the picture of our particular community, we are in a very high-risk neighbourhood. So the programs we've developed have developed in a very unique way based on a community development model, one that really works at creating a sense of ownership in the community and the community searching for solutions to those problems. As a result, the

community has developed all kinds of programs—preschool programs, Early Years-type programming, community development initiatives, community economic development initiatives, we have a whole after-school program and teen program—that are all geared toward supporting vulnerable and at-risk children. We serve probably over 500 families who live within our particular neighbourhood.

Mr. Ted Arnott: The government has announced a strong commitment to attempt to combat the problem of poverty in Ontario. I'm wondering if your organization has been consulted by the new minister responsible for that new government initiative. If not, how would you advise the government, and the minister particularly, to engage in appropriate consultation as she undertakes her responsibilities?

Ms. Lorna Schwartzentruber: We always welcome engaging in consultation and have been very creative at doing that. We have not specifically been engaged in that; however, we have been part of other coalitions that are engaged in a more active way. We work very closely with our member of provincial Parliament, Liz Sandals, in terms of looking for long-term solutions to supporting kids and families in our community and are always willing to work toward solutions.

Mr. Ted Arnott: Again, thank you for the good work you're doing in our community, and thank you for your presentation today.

The Chair (Mr. Pat Hoy): Thank you.

ONTARIO SCHOOL BUS ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario School Bus Association to come forward, please. Good morning, gentlemen. You have up to 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Angus McKay: Good morning. I'm Angus McKay. I'm treasurer with the Ontario School Bus Association and district director, and I operate Elliott Coach Lines in this community.

Mr. John Sharp: I'm John Sharp from Sharp Bus Lines. I'm vice-president of the Ontario School Bus Association.

Mr. Rick Donaldson: I'm Rick Donaldson, executive director of the Ontario School Bus Association.

Mr. Angus McKay: First, I just wanted to say thank you for the opportunity to present to you folks today. I recognize a couple of you around the table. My name is Angus McKay and, as I said, I am the treasurer and the director for OSBA, and operate school buses in and around this community. I am joined by John Sharp and Rick Donaldson, whom you've met.

The Ontario School Bus Association represents about 170 school bus companies, and we operate about 14,000 vehicles across the province. Together, we transport 800,000 students to school and back safely every day.

Our members are primarily family-owned businesses, with more than 60% of our members having 20 or fewer vehicles. We are proud that our members have long-standing ties to the communities which we serve. We are obviously advocates for safe, reliable student transportation.

You will have already heard from our colleagues on the funding model for student transportation in Timmins, and the issue of drivers' wages was presented yesterday in Kingston. Today, I want to focus on the impact of rising fuel prices for school bus operators. Our core business is getting the students to and from school safely. Obviously, the price of oil impacts us directly, immediately and mercilessly.

I've handed around a chart that shows the jump in the price of crude oil from January 2007 to January 2008. This time last year we were at \$55 a barrel, which we thought was high then, but not completely unmanageable. At the beginning of this month, oil hit \$100 a barrel.

How is this translating into prices at the pumps? M.J. Ervin and Associates provide the data for the Ministry of Energy's weekly Gasoline Report. They show that the price of diesel fuel in Toronto rose from 86 cents a litre to \$1.09 a litre over the course of 2007. That is a 26% increase in just one year.

School bus operators work hard to find efficiencies in our business, but absorbing a 26% increase in fuel costs in the transportation sector is just not possible. The government has recognized this and has made attempts to address increasing fuel costs. In March 2007, the Ministry of Education announced a one-time grant of \$7 million for the 2006-07 school year to address the oil costs, an amount of approximately 1% of its net expenditure. While the increase was certainly appreciated, it was simply not enough to cover the fuel price increases that we face every day when we fill up at the pumps.

What is more, not all of the operators even saw this increase. The student transportation budget is not sweated or enveloped and, as a result, some boards allocate increases in that area of their budgets to other priorities.

What we really need as operators is a formula built right into the funding model that rises or drops with fuel prices. I guess, in the meantime, before we get a funding formula, we need to continue getting recognition for the increased cost of fuel. It doesn't need to change daily. Monthly or even quarterly adaptation of funding to reflect fuel prices would be acceptable, so long as the dollars can flow to the operators fairly quickly. Regional variations need to be recognized, but again, we don't have to go overboard on this.

M.J. Ervin provides weekly and monthly data for a number of Ontario communities that the government uses in its Gasoline Report. This would provide a good basis for tracking fuel price trends. It should meet their transparent mandate, and it's broadly based.

As I said, the key thing is that the dollars flow to the operators quickly when there is a sharp upswing in fuel prices. Waiting until next year's school board operating

grants are announced is far too long. As operators, we have payroll, taxes, capital and operating costs, including our fuel payables, to cover, and they just won't wait for next year.

Critical to this is ensuring that the school boards pass along the funding to the operators. Enveloping the funds for student transportation would make sure this happens.

I know I haven't taken a lot of your time, but I'd be happy to take any questions.

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning goes to the NDP.

Mr. Michael Prue: Obviously, in any business, there is a whole bunch of costs. One of your costs is fuel, but also you have to pay the drivers, you have to buy buses and do the maintenance on the buses, and all the other things—paperwork. What percentage of your expenditures are fuel costs?

Mr. Angus McKay: For a typical operator, I would guess that hard fuel costs are in the 12% to 15% range. But the cost of fuel has a direct impact on maintenance because most parts are tied to fuel—rubber, tires, all those kinds of things. When the oil goes up, their prices go up as well.

1110

Mr. Michael Prue: I understand that, but what we're looking at here is 15% of the cost which could be controllable by way of your request to the government.

Mr. Angus McKay: Correct.

Mr. Michael Prue: I did notice in today's *Globe and Mail* that oil has been fluctuating: It did hit a high of \$100, but it's down to \$90. Has that given you any appreciable benefit?

Mr. Angus McKay: The oil prices will fluctuate with the price of the barrel, so yes, diesel is somewhat less now than it was at the start of the month. But our funding is still based on basically a \$55 barrel, so we're far behind where we need to be.

Mr. Michael Prue: Has the government given you any additional funding since it was \$55?

Mr. Angus McKay: No. As I said, they gave us a top-up in the 2006-07 school year, but we haven't seen anything for the 2007-08 school year.

Mr. Michael Prue: So that is part of your request here to this committee, that they do so?

Mr. Angus McKay: Yes, I think that would be fair to say.

Mr. Michael Prue: Okay. There was quite a good presentation yesterday in Kingston about bus drivers, their responsibility and how they're only paid about half what a transit bus driver would get in a city like Ottawa or Toronto—

Mr. Angus McKay: Or Guelph or Kitchener.

Mr. Michael Prue: Okay. Obviously you have many concerns. If the committee was to make recommendations, you would probably want us to make all of them, but is that a more pressing concern than the 15% of your budget that is limited to fuel? Or are they both equally important?

Mr. Angus McKay: They're all equally important. Fuel is the immediate cost that we can't hide from. Drivers' wages is obviously a pressing issue because of the turnover in the industry and the lack of the ability to attract quality candidates, which certainly affects all the parents of schoolchildren, all the kids and really everybody around the table. That's a tough question to answer because fuel is an immediate and pressing concern, but getting proper funding for driver wages is also an immediate and pressing concern.

Mr. Michael Prue: We're seeing a lot of cars and even some light trucks either getting more efficient or using electric motors as well. Is there any possibility that these could some day be used in the school bus industry? If so, would that help to reduce the cost?

Mr. Angus McKay: It would increase costs—anything's possible, I guess. What we would like to see is an incentive to invest in new technology, the newer, cleaner engines, so on and so forth, but the cost of buses continues to go up. The 2007 emission standards add about \$10,000 to the price of a vehicle.

Mr. Michael Prue: Really, that's my last question. What does it cost for a school bus these days? A 30-seater, the usual one.

Mr. Angus McKay: The full-size bus?

Mr. Michael Prue: Yes.

Mr. Angus McKay: Rough numbers, \$90,000 to \$100,000.

Mr. Michael Prue: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your submission.

GUELPH AND DISTRICT LABOUR COUNCIL

The Chair (Mr. Pat Hoy): I'm advised that our 11:30 is not here yet, but the Guelph and District Labour Council will come forward now. Thank you very much for accommodating the members here. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for our Hansard.

Mr. Terry O'Connor: Thank you and good morning. Thanks to the Chair and the committee for this opportunity to talk to you. My name is Terry O'Connor. I'm a member of the Communications, Energy and Paperworkers Union, Local 44, and also president of the Guelph and District Labour Council, which represents close to 6,000 unionized workers in this community and in the surrounding area.

I would like to focus my comments today on an issue that is very important to the labour council and its affiliates, that being the manufacturing job loss crisis in the country and in particular here in Ontario. I'm sure you are all aware of the statistics that have come out over the last while. We have lost close to 132,000 manufacturing jobs in 2007 across the country, with 64,000 of those jobs being in Ontario.

This is an urgent crisis that requires immediate action, instead of the short-term, narrowly focused community

development trust that will likely be hostage to parliamentary games proposed by the federal government. As a first step, labour calls on the federal and provincial finance ministers to strike a task force with high-level labour, government and business representation, with a mandate to report to first ministers before the next federal budget. The task force should consider how to reverse the alarming growth in our manufacturing trade deficit, including changes to our trade policies. The task force should consider how to increase productivity and value in Canadian manufacturing, including the resource-based sectors, through government support for new investment in innovation, machinery and equipment, and workers' skills. The task force should consider how governments might concretely assist Canadian manufacturers through "buy Canadian" public procurement strategies linked to new infrastructure and environmental investments.

We need a call for cuts to interest rates to help bring down the dollar. And we need positive reform to the Employment Insurance Act.

I know that the provincial government doesn't control all of these initiatives, but pressure must be put on the federal government from the provincial levels of government to have these kinds of changes start to happen.

The manufacturing jobs crisis is shrugged off by some commentators as of no great concern, given our low unemployment rate and booming energy and minerals sector. But manufacturing is a key creator of jobs in other sectors of the economy, is important across Canada, especially in Ontario, and is vital to our long-term economic growth and future.

In Guelph, we have not been immune to the problem of manufacturing job loss. The problem is not only for unionized workplaces but also non-union plants as well. In 2006, ABB, an electrical transformer manufacturer, closed its doors, putting close to 500 CAW members out of work. Also in 2006 and into 2007, Imperial Tobacco closed up shop and moved to Mexico, not because the plant wasn't profitable, but more to the point that it could make more money in Mexico. One word describes that move: greed. That decision cost Guelph over 1,000 members of the Bakery, Confectionery, Tobacco Workers and Grain Millers union.

A couple of weeks ago, 500 members of CAW at Collins and Aikman here in Guelph were notified their plant will close in April. Wood manufacturing, a non-union, family-run business in town for over 50 years, announced before Christmas that it will be downsizing by close to 300 workers. And just this morning, I heard on the news that another plant in Guelph is considering closing. And on it goes.

So what can be done? How can the government spend its resources to help with how Ontario deals with this crisis? We in the labour movement know that there are no easy answers to tackle the problem. I have talked about some answers already today.

Quite frankly, it's just too easy to shut a plant down in this province. We need new labour legislation that will

make it tougher to close plants, that will improve severance, that will provide pension protection for workers who are being laid off after giving the best years of their lives to their employer.

The government needs to hire a jobs protection commissioner, an effective jobs advocate to bring management, workers and government together to work through situations that could result in job losses. There are certainly a few initiatives the government could spend some money on.

Increased employment in other sectors has more than offset the number of manufacturing jobs lost, even in Ontario and Quebec. However, most of the jobs created in recent months have been part-time or self-employed positions, as opposed to full-time, paid positions. The jobs created in other sectors pay lower wages, on average, than manufacturing jobs.

Statistics Canada recently concluded that Canadian workers displaced by firm closures and mass layoffs who find other jobs suffer an average decline of 25% in annual earnings, implying a loss of about \$10,000 for a typical manufacturing worker. Given the disappearance of one quarter of a million manufacturing jobs, the total loss of Canadian earnings is now probably around \$2.5 billion annually.

One industry that has been directly affected by job loss in my union, the CEP, is the forest industry. The province must take a stand on rejuvenating the forest industry by recognizing that forestry could be one of the largest job-creation industries in the country and Ontario, if it was managed properly.

Clearly the Ontario government should invest in the development of new and innovative products provided by the forest industry. It makes little or no sense to me that we export our raw logs to the US or China where they manufacture the finished product and send it back to us. We have in Ontario the expertise and knowledge to manufacture wood products at a higher standard than anywhere in the world.

Ontario can no longer sit back and rely on the national statistics on job loss and job creation. The figures underline the continuing story of Canada's two economies: Alberta in particular continues to generate jobs and higher wages, driving up the national averages for both, while Ontario and Quebec in particular struggle because of the manufacturing and forestry crisis. Ontario's unemployment rate jumped alarmingly from 6.2% to 6.5% in December, a huge increase for a single month; Quebec has an unemployment rate of 7%. Both provinces are at the mercy of the manufacturing and forestry crisis and must react accordingly to help both industries.

1120

I spoke earlier about the government spending money to hire a jobs commissioner and also to consult with business, labour and educators about developing a strategy to find a solution.

I believe that educators in the high schools could play a large role in preparing students with the education and training needed to fill the new technology jobs, and that

community colleges could be used to retrain those workers displaced by plant closures.

I'm going to wrap up my comments by urging this committee to take to heart what I have tried to communicate to you today in my presentation. I have confidence that government, business and labour can work together to find a solution to this large and difficult problem.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Ms. Leeanna Pendergast: Thank you for being here, and for your comments and your passion in your presentation.

I will jump to the end of your presentation and your comments on educators and high schools, because I've been an educator and an administrator in high schools for over 20 years.

I did want to start with just a couple of comments, acknowledging that this government has taken a different approach than the previous Conservative government did with workers or the NDP government did with businesses. We've partnered with both business and labour as a unique way to keep Ontario moving forward, and it's working. As you acknowledge, we've had over 420,000 new net jobs in the province since 2003; more than 80% of those are good-paying full-time jobs. But there's more work to be done, no question, and that's what we're here to talk about today. We've made strategic investments in the auto sector and secured \$7 billion in new investments, with over 7,000 new jobs. So we've set a good platform and we continue to move forward with that.

I would like to hear from you, if you don't mind, because this is a personal passion of mine, about the idea of training workers and retraining. We have Employment Ontario, the new supports for workers who need to be trained and retrained. There's no question that's where we need to look. I'm interested in your comments about preparing students with the education and training needed to fill the new technology jobs in community colleges. We heard from the colleges this morning. Can you just give us your specific insight on that particular area, please?

Mr. Terry O'Connor: I don't have any particular insight on it. I just think the high schools and the community colleges are underutilized. I sit on the EI board of referees here in the Kitchener area and I see more and more workers displaced in their jobs and not being able to access some of the programs in the community colleges to get retraining. So I think we really need to look at how that whole system works.

We have a high school here in Guelph that is trying to develop those types of students to work in the trades, but I don't think they get enough funding and enough backup to help them in their endeavours to train students. I don't think the students are really aware of what is out there. I think we need to get them out into the workforce a little bit more, in co-op programs and that kind of thing, to really give them an idea of what is out there and what

they can do, because a lot of them are stuck and have no way of knowing what's available to them.

Ms. Leeanna Pendergast: That's an excellent comment.

My colleague has a question for you.

Ms. Sophia Aggelonitis: Thank you very much for being here today. Why do you think that a jobs commissioner will work in Ontario, since it hasn't worked in BC?

Mr. Terry O'Connor: I think that maybe Ontario is a little bit different and unique, due to the fact that Ontario and Quebec are really the core of manufacturing in the country. I think that a jobs commissioner, working with business and labour, can identify some of the problems that are developing before it gets to the point where a plant has to say, "Wait, we have to close." We've seen so many instances where one day workers get a notice saying that their plant is closing; no reason. A lot of the reasons are economic. If there was a jobs commissioner that a factory or plant could go to say, "We're experiencing these problems; we need to work out a solution," I think a jobs commissioner will help in, first of all, identifying those problems and then working through them and helping businesses and unions, and even non-union plants where there is no support for the workers there. I think it's a little bit different here in Ontario than it is in BC.

Ms. Sophia Aggelonitis: I would have to disagree, but thank you for your comments.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee this morning.

GUELPH-WELLINGTON COALITION FOR SOCIAL JUSTICE

The Chair (Mr. Pat Hoy): Now I call on the Guelph-Wellington Coalition for Social Justice to come forward, please. Good morning, sir. You have up to 10 minutes for your presentation. There could be up to five minutes of questioning. I ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Mr. George Kelly: Good morning. My name is George Kelly. I am chair of the Guelph-Wellington Coalition for Social Justice. Our coalition has a number of organizational members like the Central Student Association at the university; the Guelph health coalition; the Guelph and District Labour Council, of which Terry O'Connor is a leader; the Ignatius Jesuit Centre; OPIRG Guelph; all the teacher federations, ETFO, OECTA and OSSTF; the steelworkers at the University of Guelph; and interested citizens.

Our mandate, our mission statement, is important to consider in this presentation because my topic will be affordable housing, homelessness and poverty.

We are a member of the Ontario Coalition for Social Justice but we are a community coalition, so as individuals and organizations we are dedicated to progressive social change and the well-being of our community. We do this by networking, sharing infor-

mation and resources and co-operating in research, education and advocacy work. We hope to create and maintain a unified voice for social justice. We promote and engage in a variety of local, provincial and national campaigns.

I will start off talking about the poverty aspect of affordable housing, homelessness and poverty, how they're connected. My emphasis will be on looking at a structural change to begin with. The structural change has to do with minimum wages.

Last year around this time—actually, it was March 2007—I received an e-mail from the director of the Centre for Social Justice in Toronto, David Langille. He made a couple of points that I want to share with you about raising the minimum wage, and raising it post-haste, not over three or four years, because I'm focusing on alleviating poverty and this is a structural change that can do this for those in dire straits.

One of the reasons given for not doing it right away is that there would be a loss of jobs. But the irony is that the government has asked an economist to speculate about what might happen according to economic theory, and the economist concluded that there would be no threat to current jobs, but he worried that an increase might have an impact on job growth in the future. There are dozens of economists who will testify that there were actually no job losses when the minimum wage was raised in other jurisdictions. The example is the state of Washington. So we have evidence to show that raising the minimum wage has not contributed to job loss, and only economic theory to suggest otherwise.

The second reason for raising minimum wage and to help reduce poverty is that delaying the increase will cost the poorest people in the province a great deal. They will lose. These are last year's numbers but we can pro-rate them. They will lose \$2 an hour, or \$80 a week, for a total of \$4,160 in 2007, and up to \$12,480 if there are no incremental increases over the next three years, or \$8,320 if the Liberals keep to their projections. These costs are not speculative; that's money that working people could have spent on food, housing and other essentials. So it is worth remembering that an increase in the minimum wage could be spent in the community, which does a lot of good for Ontario's economy. It would be a good investment in the people of Ontario and their communities. That is a start to looking at the whole problem of poverty and developing anti-poverty strategies.

1130

Connected to that, I want to look for a few minutes at the local picture in terms of homelessness. We all know that there has to be emergency relief for people in dire straits, if their needs are not being met. These are short-term measures. Long-term measures always mean that we go beyond a donor-recipient relationship. People give money or food or they provide shelter, and someone else receives it. That is a dependency relationship, and I'm not going to focus a lot of time on it, but it is a problem.

We have to address immediate problems too. I want to get to the stage where we can say, if we have affordable

housing, for instance, and the minimum wage is raised at a decent pace, that we will move beyond emergency relief or a donor-recipient relationship to a partnership relationship. I think it's much healthier. It's a model that is used by NGOs in Canada and in Third World countries. I belong to an international church NGO that practises using that model so that the people at the grassroots are involved in projects that help them in raising themselves by their own bootstraps. These have to be long term; it can't be a one- or two-year project, or a month or an overnight thing. There are no panaceas.

First, let me talk about the emergency relief aspect. It has to be addressed, but we should not be blind to the limits of emergency relief. That's what I'm really trying to say here. On Thursday, January 17, the Guelph Mercury wrote an article: "Bulk of Shelter Funding to Come from City." I'll refer to a few excerpts from this article. This will give a few examples of what is happening in terms of the county and the city working together at those levels of government to provide shelter for those who need it. My reference:

"Kim Warner, Wellington county social services director, was asked by the joint city-county committee to come back with a figure of what it would cost the city and county to get a shelter in place for 2008. Usually, most social services programs are covered 75% by the city and 25% by the county and the population using the service is also considered....

"Guelph Mayor Karen Farbridge said it's difficult to speculate what type of impact it would have on the city's budget without seeing an estimated cost of what it would take to run the shelter.

"This has been a really big issue"—according to her—"for the community." There are still people who are advocating for this type of change.

I guess the upshot of this article for me in terms of sharing it with you is the fact that the "social services committee has currently set a proposed budget of \$60.7 million for 2008." Kim Warner has said that it's up to the committee to figure out how they would fund the shelter. The province would "pitch in about \$40 a day, based on how many beds are occupied at the shelter."

That's just a little excerpt from a Mercury article on January 17. It gives us a sense of something that is being done locally but needs provincial co-operation.

The other aspect of homelessness in terms of moving beyond shelters is the fact that some people are really in need of out-of-the-cold programs. There's an article I refer to on January 22 in the Mercury, and it's a front-page article. It's called, "Guelph's Homeless Still Out in the Cold," according to Ed Pickersgill. The big point of his article was, sometimes we have to just take people in off the streets and find them a stairwell or some other place out of the cold, like last night or the nights last week when this article was written, and we just have to give them shelter. He knows it's an ad hoc response to keeping people from freezing to death, and it's a band-aid solution. But what he's saying is that it's emergency

relief that needs to be addressed. There has to be "an out-of-the-cold program developed in Guelph."

Without going through the article, I'm trying to summarize the main points that he has said. What he's trying to say is that we just have to look after people who are homeless and who are down and out, and the emergency relief we have now is inadequate. It has to be addressed on a much more constructive basis than what he is trying to provide. He knows it's inadequate, sticking people in stairwells and just literally out of the cold. It's not a response that's even adequate on a short-term basis.

The other thing I'd like to mention—

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Mr. George Kelly: A minute left—could I take 15 minutes instead of 10?

The Chair (Mr. Pat Hoy): No.

Mr. George Kelly: I did too much homework here. Anyway, what I'd like to refer to for a minute or two is a handout that I provided everybody with from the United Way in Guelph. It's on poverty and homelessness. What that article talks about is the extent of homelessness in Guelph beyond what Ed Pickersgill is talking about in terms of the very short term. The United Way has said that one in five Guelph households are at risk of homelessness. The definition of homelessness, or poverty in this context, is any household paying more than 30% of their monthly income on housing. There are approximately 80% more applications for affordable housing in Guelph and Wellington county than there are available units.

If you look at the chart below, you can see the average rent for 2005, monthly rent for single employable people of \$734, the annual rent of \$8,808, and the take-home income of \$6,973. This person is paying 126% of his or her income for shelter. We know that is not acceptable.

You can look at the other categories there: the single disabled, the single parent of one child and the couple with two children, and all of them are paying way over 30% of their income on housing. That has to be addressed. This comes from the United Way in Guelph.

The other item I'd like to bring to your attention is to move beyond the local levels. The Federation of Canadian Municipalities recently had a meeting in Vancouver. They were saying that their action plan for the whole country, Ontario included, is to request strongly that \$3.35 billion be spent annually by all levels of government—federal, provincial and municipal—to deal with the housing that is needed in order to overcome chronic homelessness. This would take a decade to carry out.

This would create 20,000 new transitional, supportive and permanent affordable housing opportunities. There is something at that level—of the Federation of Canadian Municipalities, speaking to the federal government, speaking to provincial governments and municipal governments—that something has to be done in concert. People have to work together. This was talked about a long time ago, but it was all put on the back burner in 1995 when a new government came in to Ontario. Most

people would forget the name of the Premier at the time, so I will not mention the name, and if you want to find out, you can do your own homework.

We can see what happens when a priority item in public policy is put on the back burner: People suffer and taxpayers' money is not spent to look after people's needs, even though there may be federal money available. There has been federal money available, but it's not spent until the provincial government kicks in its quota as well.

In a nutshell, that is what I wanted to say about that level. Do I have a few more minutes?

The Chair (Mr. Pat Hoy): No. You're actually three minutes over. We're going to go to questioning now.

Mr. Ted Arnott: George, thanks for your presentation. I hadn't forgotten who was elected in 1995, but I'm glad you reminded me, just in case we had forgotten.

Mr. George Kelly: It was a very subtle reminder.

Mr. Ted Arnott: The way the rules of this committee go, we're giving 10 minutes for presentations, and each party in rotation is getting five minutes for questions. I'd be happy to yield the time that our caucus has if you want to continue on with the few additional points that you haven't had a chance to make.

Mr. George Kelly: I would appreciate that. I didn't realize that 10 minutes would go by so quickly. I can still maybe do four more minutes and take a minute of questions.

Mr. Ted Arnott: Go ahead.

Mr. George Kelly: Maybe there will be no questions. Poor teachers usually don't get questions from their students, so if I'm a good teacher, maybe I'll get too many questions. It has been a long time since I was in the classroom.

The other thing I want to refer to is that looking at the provincial level, in the next couple of minutes I want to say—and thanks for that intervention—looking at the province of Ontario, affordable housing has to be part of the strategy of poverty reduction and economic prosperity. I'm very happy that the Premier, Dalton McGuinty, has moved forward on this poverty reduction strategy and long-term affordable housing strategy. That pleases me. But I also want to note that many people are aware—and even the Ontario Chamber of Commerce has said that if we don't address some of these issues around housing we're going to suffer, all of us, as a province, as a people. I'll quote this very briefly. Here's what they said very recently at their annual meeting in 2007:

"Housing costs are a major source of wage pressure for businesses. City-based affordable housing is part of the solution to urban sprawl. When there is available affordable housing in the city, this helps mitigate against lost productivity and absenteeism when employees must commute long distances to work. A lack of affordable housing can lead to a host of other, more serious social and economic problems."

So I'll wrap up with these very short statements. My concern in this presentation is to make sure that, in the provincial budget that is coming down whenever, an

effective long-term affordable housing strategy will be a key factor, that there will be money, a line item, allocated to long-term affordable housing. This will dovetail with the poverty reduction strategy and will address the needs of low- and moderate-income households and help to overcome the barrier to participating in the economy in Ontario. Both strategies can be successful, but there has to be a big, strong financial commitment from the province.

I guess that's the important thing that I would say, that we have to make a down payment in the 2008 budget on affordable social housing and for rental people as well. I'll just leave it there. Is that four minutes? Close to it?

The Chair (Mr. Pat Hoy): Very close to it. Thank you for your submission.

We are recessed until 1 o'clock.

The committee recessed from 1142 to 1301.

PATRICK WOOLLEY

JOSEFINA WOOLLEY

EDWARD WOOLLEY

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order for this afternoon's session. I call on Patrick Woolley, Josefina Woolley and Edward Woolley to come forward, please. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I'll ask you to identify yourselves for the purposes of our recording Hansard.

It's my understanding that one of you will want to begin speaking in French. Is that correct?

Mr. Patrick Woolley: Later on in French.

The Chair (Mr. Pat Hoy): Okay. You just let us know. For the committee, the translation will be on channel 1.

Now you can begin. State your names, please.

Mr. Patrick Woolley: My name is Patrick Woolley. I am a businessman and an Ontario land surveyor. We reside in Caledonia.

Ms. Josefina Woolley: My name is Josefina Woolley. I am Pat Woolley's wife. We reside in Caledonia.

Mr. Edward Woolley: My name is Edward Woolley. I am their son.

Mr. Patrick Woolley: I don't know if you have the documents in front of you, but there are two documents that I handed out, which I'll refer to briefly.

Mr. Chair, honourable members of the committee, I am here today at the behest of my member of provincial parliament, Mr. Toby Barrett. I am responding to the invitation of Minister Dwight Duncan to help him and the government in their pre-budget planning. I listened intently to his statement on the website. He spoke of his government's desire to invest in people and build our communities.

I'm here to testify before you about one community in particular that is deeply challenged and in need of immediate relief. I'm here to speak as a business person,

a licensed Ontario land surveyor—I understand I'm the third one to speak before you today—as someone who is deeply involved in the community, and as a family man. I do not purport to be a spokesman for the community, but I have been actively involved in the last 20 years in many activities, including the chamber of commerce, the Rotary Club, the credit union, the Haldimand tourist association and church. I even wrote a local column for several years in Caledonia.

In late February nearly two years ago, a dispute over the ownership of a subdivision of land within the urban limits of Caledonia took place. You're all familiar with the events which occurred and the ongoing occupation and negotiations which continue to take place. Without relating the history, I would refer you to an article in today's National Post, which I have reprinted from their website and handed out to you today, by John Findlay, also a resident of Caledonia. These events have taken a serious toll on the economic well-being of Caledonia, Haldimand county and Six Nations. They have seriously impaired hundreds of businesses in the area surrounding this occupation and led to serious economic loss.

I run a small country land surveying business based in Caledonia. Mine was one of the businesses immediately affected by the closure of this subdivision, as we were providing layout services to one of the builders in DCE. This source of revenue has been permanently lost to my firm.

I've spoken to many people in this province from outside our area. Often they are under the impression that the crisis in Caledonia is over, but just the opposite is true. Many, many businesses continue to suffer from a downturn in revenue; some have even moved out. My business has been particularly affected because I am dealing in land.

Land is referred to as real property and has a special significance in our legal system. Land is held as a special possession. People will invest in it and make major improvements, but only if they have confidence in the land registration system run by the Ontario government.

There is a distinct and troubling lack of confidence in the titles in Haldimand. Not only does this affect development projects that are on hold, some by my clients in particular, but also average citizens who are putting land transactions on hold. We lost about \$30,000 in the first year of the occupation. Although we got some assistance, our downturn in revenue continues in the second year and may be similar.

The lands of Douglas Creek had just completed a first application process under the Land Titles Act. This land—and this is significant—was given the best and highest form of title that can be granted in Ontario. One of the documents I've distributed is just a copy of a PIN printout of one of the lots that was in that subdivision. You'll see that on there it has the heading “fee simple, absolute”; there's no better title that can be given. This title is supposed to be guaranteed under the principles established by Robert Torrens for the land title systems. There are ongoing questions of titles and land claims in

Haldimand. Until these issues are settled, our community will continue to suffer, and my business in particular.

We have been called racist and wackos by many in Toronto, yet most people I know—and Mr. Findlay makes this point in his article today—support a resolution to the land claims but are anxious that their own land ownership is assured. Land disputes are a primary source of tension in many world conflicts, and many degenerate into violence. We hope to avoid this in our community. Yet, whatever solution is arrived at, the process should not continue to be shrouded in secrecy. Every effort must be made so that people on all sides of the conflict can buy into the resolution. The government must work to uphold the law.

June 11, 2006, was a terrible day in Caledonia. This was the day that a news crew and a border guard were attacked. I remember talking to a Toronto TV reporter. I told her that ours was a multicultural, multi-ethnic community much like Toronto, but to a lesser extent, perhaps. She looked around and said, “I sure see a lot of white faces.” This is not a racial or a cultural problem as much as it is a lack of response by a government responsible to provide peace, order and good government. We're here today to address that issue and to bring to the attention of the members of this committee the ongoing hardship that we suffer and that our community suffers.

My wife has a statement.

Ms. Josefina Woolley: I came to Canada 20 years ago so that I could have a better life. I met my husband in Toronto, and we later settled in Caledonia and started a surveying practice. We have invested everything we have in this company and worked to make it grow. In the first year after the DCE occupation, our revenue was down about \$30,000. This year does not appear to be much better.

There does not seem to be any sign of improvement in the local economy. We have three children. It is not easy for us to uproot the family and move to another city. It is impossible for my husband to move his business. It takes years to build up clients and contacts in a profession like this.

In the past, I ran a part-time bed and breakfast in our home. In the past two years we have not had any calls from people looking for accommodation in Caledonia. Like everyone, we have a mortgage and debts. My children will soon be going to university and our business losses will severely hurt our ability to pay for their education. It is very hard and stressful on our family life. We can't afford even to go on family trips because of the stress of the job.

It is important for each MPP to remember the importance of upholding the law. In my home province in the Philippines, there were times when a local government leader had to be replaced because the previous one had been assassinated in the local market. It is very important that in Canada we have stable laws that apply equally to all people. The police must not appear to be corrupt or treat each group of people differently from the

others. This leads to corruption and lack of respect for authority in Canada. We must do better.

Mr. Patrick Woolley: My son will be testifying in French.

The Chair (Mr. Pat Hoy): We have about two minutes. Go ahead.

M. Edward Woolley: Bonjour, mesdames et messieurs. Je m'appelle Edward Woolley. Je suis un élève en 11^e à l'école secondaire St. Thomas More à Hamilton, en Ontario.

J'ai vécu toute ma vie à Caledonia. Dans mon histoire familiale, ma mère est une immigrante et les ancêtres de mon père étaient des loyalistes anglais. À cause de cela, j'ai une perspective unique. Je suis très fier d'être Canadien, et donc j'ai pris le temps d'apprendre le français.

Depuis mon enfance, j'ai toujours été intéressé par le gouvernement et la loi. Donc, j'ai des espérances élevées de mon gouvernement. Malheureusement, le gouvernement nous échoue à Caledonia. Ma famille a beaucoup souffert à cause de la récession municipale. L'entreprise de mon père a presque failli. Je ne peux plus partir en vacances avec mon école ni recevoir une allocation mensuelle. Les jeunes à Caledonia ont perdu tout leur respect pour la police ou l'autorité. Le sentiment populaire est, « Pourquoi obéir à la loi ? » Il y a une double norme en l'imposant. Même si je ne suis pas encore assez vieux pour voter, je peux dire, comme citoyen canadien, que le gouvernement est obligé d'appliquer la loi également parmi tous ses citoyens. Sinon, la loi sera dévaluée et un état d'anarchie existera.

Je vous prie, mesdames et messieurs, de ne pas nous voler notre futur.

The Chair (Mr. Pat Hoy): Thank you.

1310

Mr. Patrick Woolley: Thank you for indulging us and hearing our concerns. I would just close by saying that my business, our family and our community in Caledonia and Haldimand are in distress, continue to be, and we need your help. If you have questions, we are prepared to answer them.

The Chair (Mr. Pat Hoy): Thank you all for your presentation. This round of questioning goes to the NDP.

Mr. Michael Prue: Thank you very much for your presentation, and I know it is heartfelt. This, though, is the finance committee, and our job is to make recommendations to the finance minister on expenditures: where money should be spent. Are you looking personally, or on behalf of your community, for redress, that the government contain, within the budget, monies for the people of Caledonia?

Mr. Patrick Woolley: There have been two rounds of compensation to the businesses and a round of compensation to some of the residents immediately affected, and there's talk of another round that's coming. I think that is imperative while this situation is ongoing—it's an artificial creation which affects our local environment.

I believe my son said that it is a local recession that we have. If you look at the United States, they've just unveiled a \$150-billion compensation package to help

stimulate that economy. We need help in Caledonia. We need financial help and we need confidence to be restored, so that businesses will invest and people will not flee our community.

Mr. Michael Prue: Do you need any additional government services for us to make recommendations, additional government services and the financing of those services?

Mr. Patrick Woolley: I'm not in a position to advise that. I'm not here as a spokesman; I just know what our local municipal representatives say. I think that they have made presentations—there was an article in the paper that they're looking for \$60 million in assistance to help with some of the infrastructure projects. I can tell you certainly, on the street level, the grassroots level, that we're just one of the businesses that is really, really hurting.

Mr. Michael Prue: In terms of the lost revenues, did you get any part of the \$30,000 in lost revenue? Did they give you any money in the past year?

Mr. Patrick Woolley: We got some.

Mr. Michael Prue: You got some.

Mr. Patrick Woolley: We got some, but certainly not—

Mr. Michael Prue: Did your wife get any money for the loss of revenues related to the bed-and-breakfast establishment? She's shaking her head no.

Ms. Josefina Woolley: No.

Mr. Michael Prue: The townspeople in Caledonia: Are they being compensated to the same extent that you have been, or not compensated to the same extent as your wife?

Mr. Patrick Woolley: Without any question, if you ask the people in Caledonia, they would say they're not being compensated. Certainly, when there's economic loss, some of the hardships and things that they've had to endure, the closer you get to the occupation site, the more difficult and stressful it is. I think there'd be 10,000 people and certainly people on Six Nations—the committee should remember that these are not two separate communities. There are families, long associations—so people in the whole catchment area are suffering.

Mr. Michael Prue: Apart from the financial aspect for which we can make recommendations, for you this is also a forum to have seven or eight MPPs. Is there any other message, other than the one that you've given, that you'd like us to take back, not so much to the finance minister but to the Premier?

Mr. Patrick Woolley: The term “rule of law” gets thrown around quite a bit, and it has almost become a pejorative term. But as my wife said, one of the things that marks our country, our western civilization, is that we have the rule of law. We have laws applied equally to people, regardless of their national background, regardless of where they come from, and I think it's imperative.

That's part of the message that I wanted to bring, not just the economic loss but the lack of confidence, such things as children not respecting the police. This is an insidious thing, and it grows. It's very different in Haldi-

mand than it is in Hamilton, where my son goes to school, where people can't understand. I think it extends into Six Nations as well.

There was some solution offered recently by the government for what's going on in Ipperwash, but we cannot wait 13 years in our community for healing to take place. There's a financial aspect to everything, and I think as the budget is prepared that context must be brought forward, that it's not just financial compensation but the health of our communities that needs to be restored.

The Chair (Mr. Pat Hoy): Thank you for your submission.

UNITED WAY OF
GUELPH AND WELLINGTON
SOCIAL PLANNING COUNCIL OF
CAMBRIDGE AND NORTH DUMFRIES

The Chair (Mr. Pat Hoy): Now I call on the United Way of Guelph and Wellington and the Social Planning Council of Cambridge and North Dumfries to come forward, please. While they're setting up, I'll just remind you that you have 10 minutes for your presentation. There could be up to five minutes of questioning. When we get rolling here, I'll ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Sarah Haanstra: Maybe I'll just start while he loads up.

The Chair (Mr. Pat Hoy): Whatever you like.

Ms. Sarah Haanstra: We are here today to speak to you about the need for comprehensive poverty reduction strategies in Ontario. We are representatives from two local agencies serving Guelph and Wellington and Cambridge and North Dumfries.

The Chair (Mr. Pat Hoy): Could you just state your name first?

Ms. Sarah Haanstra: Sure. My name is Sarah Haanstra. I'm the social planning director at the United Way community services.

The Chair (Mr. Pat Hoy): That helps them track who's speaking. Go ahead.

Ms. Sarah Haanstra: I'll forget that introduction later.

We work closely with many community partners and engage in ongoing research about community needs and trends. We come to you today with serious concerns about poverty in our communities.

This is Wendy Adema, senior social planner with the Social Planning Council of Cambridge and North Dumfries, and on my right is Rebecca Roy, MSW intern with the Social Planning Council of Cambridge and North Dumfries.

Ms. Wendy Adema: We're having technical difficulties. Computers are great when they work.

So, what is the issue? Currently, there are too many people in our local communities who do not have enough income to meet their basic needs. Despite economic

growth, poverty is not decreasing. In Cambridge alone, we know that there are over 15,000 people, which is approximately 13% of our population, who are living in poverty, and that's using a very conservative measure of poverty. The gap between rich and poor is increasing. In 2005, the highest-income earners in Waterloo region, those who were in the 90th percentile, earned 18 times more than the lowest earners. In the province, one in eight children lives in poverty, and the poverty rate seems to be stuck between 15% and 17% since the late 1980s; 41% of low-income children live in families where at least one parent works full-time and the families are still in poverty. As the new census data becomes available, we'll have more poverty statistics for our local communities.

What does this result in? What we're seeing in our communities is that people cannot afford sufficient food for themselves and their families. The use of local food banks has been increasing over the last number of years. People cannot afford sufficient housing. There are long waiting lists for both subsidized housing and other housing programs in Cambridge and North Dumfries and in Guelph communities. More people are seeking emergency shelter from various sources.

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What else have we seen? There's an increased demand for social assistance programs. In Cambridge and Guelph, increasing numbers of people are seeking social assistance programs. The rates of the programs, the amount of money that they get in their pockets, are seriously inadequate, placing people below the poverty line and not able to meet their own basic needs.

Many community agencies are experiencing stress. Agencies are struggling with long waiting lists for their programs and there are general increases on the service demands without additional resources to meet those demands.

Poorer health: There is an increasing body of evidence documenting that the healthiest communities are those where there is a smaller gap between the richest members and the smaller members. We're finding that income is a strong determinant of health. People cannot afford sufficient education and learning opportunities to be able to compete in our changing economic climate.

Ms. Rebecca Roy: We do know, however, that reducing poverty is achievable and there has been success around the world and in our country alone. In countries like the United Kingdom and Ireland, they have created and are implementing poverty reduction strategies that are being met with success. Other provinces like Quebec and Newfoundland and Labrador have demonstrated leadership in developing and implementing poverty reduction strategies.

Ms. Sarah Haanstra: So what can be done in Ontario to reduce poverty? We know the provincial government intends to make progress in the fight against poverty. The cabinet committee on poverty reduction is a step in the right direction. We know from other provinces and nations that serious poverty reduction is possible. To

reduce poverty in Ontario we need: indicators for measuring poverty; measurable targets and timelines; a coordinated plan of action across all government ministries and budget commitments; monitoring and evaluation of progress to ensure accountability.

What else can be done in Ontario to reduce poverty? Specifically, we need to increase minimum wage rates to ensure those who work full-time, full-year, do not live in poverty. We need to update the Employment Standards Act. We need to increase social assistance rates to ensure our most vulnerable people are not living below the poverty line. We need to increase access to education, early learning, child care education and training. Finally, we need to create more affordable housing.

Ms. Rebecca Roy: There are many benefits to reducing poverty, and some of them we'd like to just identify for you right now.

There would be a greater equality among citizens. Reducing poverty would reduce the growing gap between the rich and the poor and it would move our area and our province towards a more inclusive society where low-income earners participate more fully socially and economically. We would see a thriving local economy, and we know that greater economic prosperity as low-income earners spend their money locally creates more opportunities for growth.

We would see decreased demand for local health and social services. We know that greater economic self-sufficiency leads to a reduction in health care and social service demands.

Finally, we would have a better-educated community. We know that higher education is associated with higher incomes and we would like to have a better-educated community.

That's the end of our presentation. We would like to open it up for questions.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the government.

Mrs. Liz Sandals: Thank you very much. We've obviously opened up the whole discussion around a poverty reduction strategy. We've begun with the Ontario child benefit. We have already committed to providing dental care for low-income working families and a number of other initiatives. But certainly one of the things that I know my cabinet colleagues are looking at is, what are the indicators? Because you're in the business of social planning, it might be helpful to us to know what you feel are indicators that we should be using when we're trying to measure the level of poverty in our community and our success in reducing poverty.

Ms. Wendy Adema: I'll respond to that. As the Social Planning Council of Cambridge and North Dumfries, we've been tracking these trends over the last number of years. Certainly, subsidized housing waiting lists would be a good indicator, that we'd be making some success on decreasing those waiting lists, as opposed to seeing them continue to increase. Food bank usage I think would be another good indicator to track, and some of the other ones we've listed here—the

demand on social assistance programs. So the caseloads of various programs like the Ontario disability support program, Ontario Works and other programs like that could be tracked over time.

Mrs. Liz Sandals: On affordable housing: There's no doubt that in Guelph there is a very long wait-list for affordable housing, and I think, for anybody who has looked at that, that's a problem that has been building for decades now in this area. Because it's a problem that has been building for decades, it's obviously not one that we're going to magically solve very, very quickly. But one of the things we went off to get some debate around with affordable housing initiatives is which strategy is the best strategy. I will hear some people who come into my office say, "You need to build more units." Other people will come in and say, "That's going to take too long. What we really need is more rent supplements." Other people will come in and say, "If you really want to help low-income working poor get into permanent housing, we need to be looking at more down payments to assist them to get into affordable home ownership." I'm wondering, from a social planning point of view, are you looking at focusing on one affordable housing strategy or would you be recommending, as I think we have been doing, that we look at a broad range of initiatives?

Ms. Wendy Adema: I can speak again for Cambridge. We have a Cambridge Action on Homelessness Group, which has representatives from numerous housing stakeholders in our community. One of the things we've been requesting, in working very diligently with our region and people in our area, is to ensure that there's a comprehensive view to housing and housing supports and services, looking at the broader array of housing options and choices for people. If we look at the senior population, I think having supports to help people stay in their homes is a very appropriate strategy for that. So it depends on the population. You're right: Just looking at one narrow view is not helpful. We are certainly looking at a broader perspective and we'd be interested in talking with you further in terms of what that could look like.

Mrs. Liz Sandals: Thank you. I'm going to turn it over to my colleague.

The Chair (Mr. Pat Hoy): Just one minute.

Ms. Leeanna Pendergast: Thank you for the presentation. This government over the past four years has built a strong foundation in this area with a total social service investment of \$10.9 billion; 18,000 new affordable housing units.

I have the privilege of being the parliamentary assistant to Minister Matthews in the area of women's issues. As you know, the Premier has established the committee on poverty reduction, which she's chairing. So we as a government are making great steps forward. We continue to move forward and, as MPP Sandals has pointed out, it is definitely on our agenda.

You mention, under "Benefits of reducing poverty," to reduce the growing gap between the rich and the poor. As an English teacher, that says the world to me, but very little at the same time. Can you give us maybe a very

immediate next step? How do you even begin to address that statement?

Ms. Rebecca Roy: I think what we talked about just briefly in an earlier slide was the income earnings being 18 times greater for higher-income earners. So what would we be looking at in terms of reducing the gap? I think part of that would involve some education strategies to ensure that people have greater access to post-secondary education. We talked about raising the minimum wage, and that's certainly something we advocate for. When people are working full-time all year long, it's very discouraging to see that they are still continuing to live in poverty. So those are just a number of the issues we would be looking at. But again, it's part of a very comprehensive plan that looks at a number of different areas.

The Chair (Mr. Pat Hoy): Thank you for your submission.

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WATERLOO CATHOLIC DISTRICT SCHOOL BOARD

The Chair (Mr. Pat Hoy): Now I call on the Waterloo Catholic District School Board to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I'd ask you to identify yourselves for our recording Hansard.

Mr. Wayne Buchholtz: Thank you very much, first of all, for the opportunity to meet with you again this year. My name is Wayne Buchholtz. I'm the chair of the Waterloo Catholic District School Board. To my right is Marion Thomson Howell, vice-chair of the board; and the executive assistant to the director is here but disappeared for a second. His name is John Shewchuk. I assume that he'll join us up here as soon as he returns.

Catholic schools have existed in the regional municipality of Waterloo since 1836. The Waterloo Catholic District School Board currently meets the education needs of 30,000 elementary, secondary and adult education students across Waterloo region, serving approximately 30% of the elementary and secondary school population. The school system employs approximately 3,000 staff, including educators, administrators and support staff, and operates with an annual budget of \$206 million. Our students come from 114 different countries and speak 68 different languages.

The purpose of Waterloo region's Catholic schools is simply to provide a quality, inclusive faith-based education. Along with this, we are firmly committed to implementing the government's educational agenda.

To accomplish our work, we depend upon our government as a true partner. True partnership means providing the human and non-human resources to enable us to accomplish provincial government priorities in tandem with, and not independent of, local priorities.

To this end, we applaud the significant investments government has made in the areas of: textbooks and classroom resources; professional development for both teaching and non-teaching staff; reduction of the average class size; specialty teachers; and staff to address learning to 18. These investments will go far to address our common goal of improving student learning and ensuring that students graduate as contributing members of society.

One measure of our success is our outstanding EQAO results, and we've included those at the bottom of page 2 and the beginning of page 3. Our obvious success as demonstrated in these has come in spite of chronic underfunding. Having the funds to actually meet current student needs would yield success beyond even that explained above. To be clear, the Waterloo Catholic District School Board does not believe that the provincial education funding model is broken. Rather, we believe there are important areas where the model simply does not provide the necessary level of funding to accomplish the government's own goals. We have listed those areas below.

The first is employee compensation benchmarks. The funding for employee compensation is an extremely serious issue for us. Staff salaries and benefits comprise more than 80% of our operating expenditures. While we are grateful the government acknowledges the existence of the teacher salary gap and took significant steps to address it in the 2006-07 GSNs, we nevertheless are concerned that the government's commitment to a full review of the funding formula by 2010 will come too late to prevent the inevitable financial crisis such an unsustainable framework will undoubtedly create for us.

Therefore, we encourage the government to immediately review and adjust accordingly the salary benchmarks for teachers to ensure that a gap between the actual salary costs and funding does not reoccur and that the shuffling of existing grants to bridge the gaps does not produce unintended adverse consequences in other areas.

We also encourage the government to ensure that school boards are able to sustainably fund the salary demands of support staff, such as educational assistants, school secretaries and custodians, caused by the provincially negotiated increases to teacher salaries—the "me too" syndrome the government surely knew would come when it negotiated with the teachers.

Employee benefits are an additional significant concern, being proportionately more underfunded than salaries. In 2002, the government funded benefits at 12% of salary for teaching staff and 15.7% for non-teaching staff. The 2006-07 GSNs decreased the percentage for teaching staff from 12% to 11.1% of salary, and for non-teaching staff from 15.7% to 14.8%, and the 2007-08 GSNs maintained these levels. As a result, the gap between benchmarks and costs remains at the 2002 level.

As the following data lay bare, a key driver leading to lack of financial sustainability going forward is the fact that the funding formula is tied to ever-decreasing

student enrolment. The linking of funding to enrolment, coupled with the increased numbers of teachers needed to meet government-mandated class sizes and the accompanying failure of salary and benefit benchmarks to keep pace with current needs, is a recipe for ongoing and steadily deteriorating fiscal instability.

Between 2006-07 and 2007-08, our system experienced declining enrolments in fully 75% of our elementary schools. For a number of years, we have seen a declining number of new JK and K student registrations, while the number of grade 8 students moving on to secondary school has far exceeded the number of new JK students entering the system. We are not alone; this is a provincial trend.

We've provided some data on the bottom of page 4 and the top of page 5, and on page 5 we've provided a chart that clearly illustrates the problem. Our daily enrolment has fallen by 506 students in the last five years. By itself, it's not a catastrophic event. However, consider the fact that during that same time period, our overall staffing increased by 132 full-time equivalent, including 65 new teachers—the vast majority added to meet circumstances beyond our control, such as class size regulations. We simply cannot sustain the continued reduction in enrolment-based revenue while simultaneously implementing government-mandated staff increases and the associated costs. We have made our cuts, and there is nothing left to cut to take up the slack.

Special education: While significant improvements have been made to the funding of special education since 1998, special-ed continues to be an area where the needs of students far outstrip available resources. The budget summary appended to this document on page 8 explains our situation far better than any extended written argument could. Our budgeted special education expenditures for this year, based on actual, current special education needs, totals \$25.5 million, while revenues total just \$23.5 million—almost \$2 million less than required to serve our most vulnerable students.

We urge the government to act immediately on the Ontario Catholic School Trustees' Association recommendations to take a very serious look at all aspects of special education funding, and to do it relatively quickly.

In the area of student transportation, a new and vastly improved student transportation model has been promised, repromised and repromised to school boards since 1997-98. As the government is aware, the several attempts since 1997 to create a fair and equitable transportation model have not been successful. Our request is simple: The actual cost of transporting students to school must be reflected in any model, a model that should be based on the principles of equity, adequacy, autonomy/flexibility and accountability.

Our situation is made clear in the budget summary appended to this document. Our budgeted transportation expenditures for this year, based on actual, current transportation needs, total \$6.9 million, while revenues total just \$6.5 million—\$461,000 less than required.

In summary, we are all aware that the learning agenda of the government is a critical piece in the economic and social future of Ontario. The Waterloo Catholic District School Board supports that learning agenda and will continue to work tirelessly as a full partner with government to achieve this agenda. We very much appreciate the former support of Ted Arnott, who was the MPP for our area at one point, and very much appreciate the openness and co-operation of John Milloy and Leeanna Pendergast in this regard. We commend their enthusiastic support of public education. We look forward to continuing our relationship as we work to solve these very serious funding gaps.

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The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the official opposition.

Mr. Ted Arnott: Thank you very much for your presentation. It's very good to see you again.

Mr. Wayne Buchholtz: Thank you, Ted.

Mr. Ted Arnott: I look forward to keeping in touch in the future, notwithstanding the fact that I am no longer representing any part of Waterloo region. The new member for Kitchener—Conestoga is endeavouring to do that in her first few months. I look forward to working with her as well.

We had a rather remarkable presentation this morning from the OSSTF, District 18, who talked about some of the same issues that you've referenced here. Specifically, they called for the immediate restoration of the local priorities grant, the learning opportunities grant and the declining enrolment grant. What was most interesting is they characterized the government's funding changes in the last two or three years as a "shell game." Would you agree with that characterization, a shell game?

Mr. John Shewchuk: As all three lights go on—

Mr. Wayne Buchholtz: As all three of us look at each other. A shell game? I wouldn't consider it a shell game as such. I would consider it a re-shifting of priorities, moving money around, perhaps giving the appearance of increased funding when in reality there was other funding being cut at the same time.

Mr. Ted Arnott: But certainly, you would call for the restoration of those grants—

Mr. Wayne Buchholtz: Yes, very much so.

Mr. Ted Arnott: And I would agree that that issue must be addressed. On page 3 of your presentation, you asked for a review of the funding formula before 2010, and that's one of your summary recommendations as well.

Mr. Wayne Buchholtz: Correct, yes.

Mr. Ted Arnott: Do you feel that needs to be undertaken immediately, or what would you suggest in that regard? It can't wait until 2010; does it need to be done immediately?

Mr. Wayne Buchholtz: The reality is that parts of the funding formula, the benchmarks, have been reviewed since 1997-98, if you look at transportation. Special education has been reviewed over the last four years in terms of benchmarks. Even though we had an increase in

the benchmark in terms of teacher salary last year, if we're not going to look at ensuring that that stays consistent and up to date, our fear is that if we hold off the review of the funding benchmarks to 2010, school boards could end up in a very serious situation.

Mr. John Shewchuk: If I may, Mr. Chair, just as a supplementary to my colleague's answer there, we referenced what we're calling the "me too" syndrome in the paper. That's really what one of the primary concerns is right now. Having dealt with the major, major gap in the funding of teacher salaries, the gaps that will be coming forward now with custodians, educational assistants, secretaries etc., haven't been addressed yet. That needs to be looked at very carefully, very closely and very quickly, otherwise we'll be in the same boat we were with teachers. That's why the suggestion is to up the timetable as much as possible to get at that right now.

Mr. Ted Arnott: In 2003, in the election campaign, the Liberal Party advocated and promised a hard cap for some of the primary grades, and we argued that that was impractical. In 2007, going into the election campaign, the Liberal Party patted itself on the back, saying they'd accomplished I think 90% of their promise. Of course, one of the downsides of that promise has been a substantial increase in many school boards in the number of split grades in the intermediate division. I was wondering if you could give us some information as to how it has impacted on your school board?

Mr. Wayne Buchholtz: I don't have the actual numbers with me, Mr. Arnott. The reality is it does impact. Whether it's an increased number of split grades in primary division or in junior or intermediate classes, that is an impact of a hard cap. Whenever you have a situation of having more than three students over the cap, you end up having to create another room, and you end up having to hire and then adjust staffing for that particular school. Kids don't come in neat small packages of 20 or 21 at a time; it just doesn't happen.

Ms. Marion Thomson Howell: If I could just add on to what Wayne has said, the other issue is that parents react emotionally to children being in split grades. It is often more so when their child is in the upper grade because they don't want them listening to the younger grade curriculum.

Mr. Ted Arnott: It's a real challenge for the teacher too.

Ms. Marion Thomson Howell: My point was going to be that the bigger factor to children's learning, quite frankly, is not split grades; it's how well-prepared and resourced our teachers are. If we look at the whole issue of budget, if split grades are a concern, we should be spending more time looking at how well boards are able to train teachers as far as having really effective training programs for them, as far as having supplies so that they can do that learning. Separate from class size, separate from split grades, the most important factor is how well-trained and resourced the classroom teacher is.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO ASSOCIATION OF SOCIAL WORKERS

The Chair (Mr. Pat Hoy): Now I call on the Ontario Association of Social Workers to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for the purposes of Hansard.

Dr. Dan Andreae: My name is Dr. Dan Andreae, and I'm the president of the Ontario Association of Social Workers. The OASW is a bilingual membership association incorporated in 1964. It's one of 10 provincial/territorial associations of social workers belonging to the Canadian Association of Social Workers, which in turn is a member of the 78-nation International Federation of Social Workers. There are 15 branches across Ontario, including here in Guelph, Liz, as well. Our association embodies the social work profession's commitment to a just and equitable society by engaging in social work and actions related to vulnerable, disadvantaged populations, and taking positions on key issues.

We have approximately 3,600 members. We're like the OMA or the law society of Ontario: We are the voice of social work. People belonging to our association have university degrees in social work at doctoral, master's and baccalaureate levels. Of course many of you have worked with social workers, and of course your constituents also deal with social workers every day, working in family service associations, mental health clinics, hospitals, children's aid societies, drug and alcohol treatment centres and other centres as well.

I'll just spend a couple of minutes sort of flying at 30,000 feet, because you hear lots of different opinions about many different issues. Certainly, governing is a complex process; you all know that. It's a Herculean task, really, because here you are on this committee, listening to a variety of different opinions and ideas about what to do from advocates for different agendas, and this requires you to broker among competing agendas as you strive for compromise in the pursuit of the art of the possible.

I used to work for a politician, and I understand what that's all about. This presents you with hard choices to make. But governing really demands leadership. It means choosing from among competing and often conflicting agendas that way.

When former Prime Minister Harold Wilson of England was asked, "What's the hardest part of governing?" he said, "The hardest part is events, my dear friends, events." Certain things are going to come up over the next four years that you can't predict; I don't know either. They are beyond our event horizons. We don't know, but I tell you they will occur. So we'll be prepared for those, whether it's a SARS—God forbid—or whatever. However, below this, what are the core values of any government? What do you stand for? Governments can't do everything, nor should they. As the

president of the social workers, I'm telling you that. You might expect me to say government should do everything; it should not.

Ultimately, you need to look at issues that can be done better collectively in the public interest than can be done by individuals alone, in that sense. Basically, what are you going to be able to tell your grandchildren, your children and your friends about what you have done as a signature issue or signature issues, looking down the road 10, 15 years from now? How did you make a difference as a member of the Legislature in that regard? It's a tough battle to actually arbitrate between economic growth, sustainable environments and social justice.

At the outset, I'm going to say something that you might not expect the head of the social workers to say: Your latitude to move is dependent upon a thriving economy. You need to have growth, you need to have jobs, you need to have jobs created; otherwise, there are no revenues coming in and therefore no programs.

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Beyond that, what should the priorities be? We in social work have certain ideas about that. As the handout talks about here, certainly alleviation of poverty is a major issue for us. We believe that foremost among priorities there needs to be an unwavering commitment, bolstered by concrete action, toward eradicating poverty for children and families. What's required are specific targets, an action plan with a budget and monitoring of progress each and every year.

We commend the government for the highlights of the 2007 budget, when poverty was addressed, together with a renewed commitment in the recent election campaign to doing this.

You've heard before today, I'm sure, that there have been successful attempts and plans in Quebec and Newfoundland and Labrador in Canada, and also in Ireland. The Irish miracle has not solved the problem in Ireland, but it's a model to look at, because what's happened there is that the Prime Minister of that country sits on the policy and priorities committee, and every issue is looked at through the prism of poverty reduction. And it has worked. There are problems there—it's beyond the scope of three or four minutes of talking today—but it's a model for us to look at. Again, they have competitive corporate tax rates etc. It's part of a package. But when the political will exists, it can happen.

When the US wanted to go to the moon in the 1960s—it would cost lots of money; it couldn't be done—the political will was there. If we put the same political will toward reducing poverty in that sense, then things can happen and you will be remembered for an historic contribution to this province.

Other things we need to do: We need to permanently index social assistance rates to inflation and increase benefit levels by a double digit for 2008, to speed up implementation of the Ontario child benefit so families will receive that benefit sooner. Investing in early learning and child care to achieve a target of 25% of Ontario children ages 0 to 12 having access to a licensed

and affordable child care space within five years must be done. Research shows that brain development in the first three years of life is absolutely critical in terms of determining the long-term prognosis of people. These are preventive measures which will pay off in the end.

We can go on here, sir. Do I have another minute or two or what?

The Chair (Mr. Pat Hoy): You have four minutes left.

Dr. Dan Andreae: Okay, we'll keep going.

We also need to look at employment and training opportunities and investment in job creation, as the handout says here. We need to provide resources, enabling young people to graduate from high school with marketable skills to reduce debt load.

What makes Ontario a good place to invest in? It's because we invest in social and physical infrastructure. So, in a competitive world, when we're competing against New York and Pennsylvania and Ohio and Malaysia and the Philippines and Mexico, what makes people come here? It's that sense that we have something to offer, not just in terms of economic benefits but also social infrastructure.

We need to provide training programs and financial incentives for individuals in non-academic streams and trades; that's absolutely critical.

We need to offer financial incentives, again, for students entering colleges and universities.

We need to develop an effective jobs strategy which includes tax incentives for employers to hire individuals who would otherwise experience barriers in competitive job markets.

We need to consider, as well, a multi-stage process to increase the minimum wage, initially targeting mega-employers who hire at a very basic wage, some of the big companies like the Wal-Marts etc. Begin there and work your way back. We realize that things need to be done incrementally. Again, everything you do has to be done within the framework of fiscal responsibility. You need to balance budgets to move ahead.

OASW, on behalf of the social work profession in Ontario, as the voice of social work, has a long-standing commitment to alleviating poverty. Over the past number of years, we have demonstrated this priority focus through, for example:

- collaborating with community partners such as Campaign 2000 and the Interfaith Social Assistance Reform Coalition, ISARC, whose forums are held at Queen's Park;

- meeting with the chair of the Ontario cabinet committee on poverty reduction;

- facilitating a round-table discussion with the former Minister of Finance—and he was responsive—and social work leaders in the community;

- responding to the 2007 Ontario budget;

- providing a social work perspective on poverty-related issues that are profiled in the media.

Again, these are preventive measures that save money down the road. What is the role of government? It's there to meet the needs of people.

Governments come and go. We've had them; we'll have them again. Trends ebb and flow. But as things move in and out, what remain absolutely critical and unchanging are these human needs. What are the human needs we can meet, given the fact that we need the target priorities? How do we do that within a framework of fiscal responsibility—and for us, the ones I've listed here are the ones that would be of most import to social workers and the clients served around Ontario, of which there are tens of thousands every year. Social work is a regulated profession, as you know, and has a college, and members are responsible to that college.

In summary, OASW is pleased with the government's priority of developing and promoting a poverty reduction strategy, and we anticipate further specific commitments in the spring budget. We will continue to monitor and advocate for the implementation of effective measures with clearly articulated targets and timelines to reduce child poverty by 25% over five years. You, in government, have one overriding responsibility, and that is to alleviate suffering as much as possible and to offer hope, regardless of political stripe or political affiliation. That's why you're around this table, why you ran: because you want to make a difference. Here is a way to make that major difference. So there we are, sir.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning goes to Mr. Prue of the NDP.

Mr. Michael Prue: I have a couple of questions here. Your first bullet point is to “permanently index social assistance rates to inflation, and increase benefit levels by a double digit for 2008.” But surely you would not want to permanently index the rates that currently exist. They are 40% below the poverty line, or even more so on Ontario Works. Do you have any kind of idea of how long this government should take to at least move them up to the poverty line, and then index them?

Dr. Dan Andreae: Okay—fair point. There certainly needs to be community consultation on that, Michael. I'd like you to contact Joan MacKenzie Davies, the executive director of OASW, who has that specific information there. We need to push them to do it. I don't have an actual timetable in terms of giving you a month or exactly when that would occur, but it needs to be done. And I agree with you that it needs to be moved beyond that point.

Mr. Michael Prue: Every group that's come forward—one said 40% right away, some have said double digits and some have said at least 10%. I haven't heard anybody lower than that. But that 10%: If you do it this budget and if you did 10% every budget for four years, you might get close to the poverty line.

Dr. Dan Andreae: Yes, that's a reasonable assumption too. Again, it needs to be done in conjunction with other priorities as well. We would love to do that. It should be done, it's the right thing to do, but what about the other priorities we've mentioned here too? It's a

question of balancing that out and doing it in a fiscally responsible way. But I agree, Michael.

Mr. Michael Prue: The next bullet point, and I'm very curious about this: “Significantly increase provincial spending on affordable housing.” There hasn't been any provincial spending on affordable housing since—I can't even remember—back in the NDP times, maybe.

Dr. Dan Andreae: Yes, Bob Rae days. Well—

Mr. Michael Prue: No, but that's true. The money that's been spent on affordable housing in Ontario for the last four years has been federal money. There hasn't been any provincial money added to that, so how do you increase nothing?

Dr. Dan Andreae: There needs to be a commitment to social housing, there's no question about it. The profession believes in working with government, with you and the others, to push that agenda forward.

Mr. Michael Prue: I heard a statement from Ms. Pendergast, who's not here, that there had been 18,000 units of affordable housing built in Ontario. Can you tell me, do you have any information on that? The Wellesley Institute says 286. That's quite a distance, between 18,000 as claimed and 286.

Dr. Dan Andreae: I don't. If somebody around here does, let us know.

Mr. Michael Prue: All right; okay. You ask, lastly, for us to consider “a multi-staged process to increase the minimum wage.” Most of the groups are asking for \$10.25 or \$10 an hour now, not multi-staged. But I'm more curious here about the “targeting mega-employers who hire at a very basic wage.” We did have one deputant who, when I pointed out that the biggest companies that pay minimum wage in Ontario are probably McDonald's and Wal-Mart, came to their defence, said that that was okay. That surprised me a little because the small business people, when they came, said that almost all of the people who belong to the small business groups pay well in advance of minimum wage. Should we be legislating big companies that are traded on the Toronto Stock Exchange like Wal-Mart, McDonald's and others that they cannot pay this kind of money? Do we single them out? That's what you're suggesting.

Dr. Dan Andreae: Certainly we believe in incrementalism. We believe in the minimum wage being raised to \$10, yes, absolutely. The question is doing it in stages. Our information may differ from what you heard earlier on today. Our experience is that people in smaller businesses don't necessarily pay as much. We want to make sure that the engine that drives the economy—and in our perspective, it would be small business that really drives the economy, in large part—that it's done in a way that is acceptable to them as well. So we would start with the larger companies that we know are in a position to afford it and then work to achieve that all the way around. But again, incremental; that's why we talk about a multi-stage process, to do it when it's possible to do it.

The Chair (Mr. Pat Hoy): Thank you for your submission.

GREATER KITCHENER WATERLOO
CHAMBER OF COMMERCE

The Chair (Mr. Pat Hoy): Now I call on the Greater Kitchener Waterloo Chamber of Commerce to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would ask you to identify yourself for Hansard.

Mr. Art Sinclair: Good afternoon, Chair. My name is Art Sinclair. I'm director of economic development with the Greater Kitchener Waterloo Chamber of Commerce. I would like to thank the committee for the opportunity to appear this afternoon on this fine southern Ontario day in January. I'd better not continue with that line because I've been told on a number of occasions by people from northern Ontario that on days like this we shouldn't complain about the weather, so I won't.

1400

We have provided a written submission of our issues, and at this time I will be providing a brief summary of our key points at this time of year.

As the largest accredited chamber of commerce in Ontario, our organization serves over 1,900 members representing all sectors of the local business community. The membership includes small, medium and large employers who provide 70,000 jobs in one of Ontario's most progressive, innovative, entrepreneurial and economically diverse regions.

Our chamber's mission is to serve the local business sector and be their advocate on the advancement of a regional agenda for prosperity. We believe that the prosperity of our community originates from the productivity of our membership.

Firstly, in our presentation to this committee approximately a year ago today—we appeared on January 29, 2007, in Hamilton; I know a number of members here today were at that hearing as well—we proposed a series of recommendations related to infrastructure development and tax cuts which we considered as priorities for both our region and businesses across Ontario. We would like to commend the provincial government for delivering on these proposals, which provide fiscal relief to our members and initiate some critical infrastructure projects that are central to our local capacity and ability to manage growth in Waterloo region.

Our key priority in January 2007 was the immediate elimination of the Ontario capital tax. We cited in our submission a series of studies that overwhelmingly indicated that Ontario corporate taxes were not competitive with neighbouring jurisdictions. In particular, we noted that the capital tax provided no relationship to the profitability of a business and ultimately discouraged expansion.

We therefore strongly support Minister Duncan's proposal in the recent Ontario economic outlook and fiscal review to eliminate the capital tax for the manufacturing and resource sectors, including forestry,

effective on January 1, 2008. We are also supportive of the cut to the capital tax rate for all businesses by 21%, retroactive to January 1, 2007.

One year ago, our chamber recommended that the provincial government implement property tax fairness. Central to this proposal were widely varying business education tax rates and our contention that there was no justification for two similar business properties being charged differently for an education system that equally benefits all Ontarians. We are again strongly supportive of Minister Sorbara's proposal in the 2007 budget for a province-wide \$540-million reduction in BET rates across the province over the next seven years. This will save Waterloo region businesses approximately \$36 million over that aforementioned time frame.

It is anticipated that the population of Waterloo region will increase from our current level of 507,000 residents to 729,000 by the year 2031. Investments in infrastructure are critical for the effective and coordinated management of that growth.

The provincial government provided two critical announcements related to Waterloo region infrastructure over the past year. The 2007 budget allocated one third of the project costs for the region of Waterloo rapid transit system, an initiative that our chamber has advocated in numerous submissions to both the federal and provincial governments. In June 2007, MPP John Milloy announced on behalf of the Minister of Transportation that the provincial commitment will be expanded to two thirds of the project, with a further assurance that the province will collaborate with the region of Waterloo to secure the remaining one third commitment from the federal government.

In January 2007 we also asked that the province expedite plans related to the construction of a new Highway 7 between Kitchener-Waterloo and Guelph-Wellington county. In March, former transportation minister Donna Cansfield was in Kitchener to announce that work is proceeding on a highway design and acquisition process. While actual construction may be some time in the future, we are making progress on this important link between two important urban centres.

Our critical priority for 2008 is the physician shortage experienced by the residents of Waterloo region and across Ontario. After reacquiring an underserved area designation in September 2006, Kitchener-Waterloo again lost the status this past spring, significantly placing our community at a disadvantage in terms of financial incentives offered to potential new physicians. Local estimates have indicated that more than 30,000 residents do not have access to a family doctor, translating to a requirement for 22 new practitioners.

In our brief we have cited a number of structural inequities with the current underserved area program and the issues that some communities across Ontario are struggling with in their efforts to attract doctors. For example, communities with teaching facilities are disadvantaged due to an antiquated and inaccurate mechanism for calculating the family-doctor-to-population ratio now

established by the province at 1 to 1,380, or one family doctor for every 1,380 people in the community. This standard fails to consider that some municipalities are regional health centres and have assumed the responsibility for the provision of health care services beyond their local population.

Specialty services such as regional cancer centres or children's hospitals require large physician staff complements who are not practising family medicine. These individuals are considered as specialists and included in aggregate totals for calculations on underserved area designations. Furthermore, provincial standards fail to recognize that while teaching hospitals have doctors on duty, they are not practising primary care family medicine.

While some indicators are showing progress, the chronic shortage of family physicians will not disappear in the short term. The province must continue to accelerate efforts to graduate more doctors, retain physicians currently in practice, and repatriate those who have left for the United States and other jurisdictions. In the short term, the Ministry of Health and Long-Term Care can correct the inequitable situation that exists between those communities that are designated as underserved and those that are not. Communities that are designated as underserved carry a significant advantage over those who are not from both a health care and economic development perspective.

We submit at this time that an extensive and wide-ranging review of the underserved area program is urgently required. In our written brief, we have outlined a series of recommendations to revise the formula for the calculation of designations. As we move forward on this issue, it is imperative that the province recognize the particular circumstances evident in communities that provide regional and specialty services and ensure that physician/population ratios reflect the actual number of practitioners providing primary health care to families, along with accurate estimates on population data.

Our brief also identifies issues related to human capital and the ongoing requirement to ensure that employers have access to a skilled and knowledgeable workforce. As the Task Force on Competitiveness, Productivity and Economic Progress led by Dr. Roger Martin has noted, business leaders must focus on productivity-enhancing equipment and technology, along with more investment in people's education and skills.

Locally, the Conestoga College Institute of Technology and Advanced Learning has drafted an expansion proposal for a new technology campus to be constructed in Cambridge. The current Conestoga facility is undersized for its community and catchment area, and could easily double in size from 7,000 to 12,000 full-time students and from 3,000 to 4,500 apprenticeships. Increased capacity at Conestoga will provide skills training and career services for new graduates, immigrants and displaced manufacturing sector workers. Significant training opportunities will be provided for the existing workforce, including skills-based programs in

technology and business. The expansion plan also proposes 1,000 new apprenticeship spaces in transportation, construction, culinary, and industrial trades, and the expansion of the current health care training capacity.

Our chamber and organizations throughout Ontario and Waterloo region are strongly supportive of the Conestoga expansion proposal, as college staff have collaborated with local employers on identifying potential workforce issues and developing solutions. We seek a financial commitment from the provincial government to move this important initiative forward.

Finally, the Ontario business community is increasingly concerned with the current municipal fiscal relationship with the provincial government, the delivery of services and the deteriorating condition of infrastructure. Our chamber views the current Provincial-Municipal Fiscal and Service Delivery Review as an imperative first step in addressing the gap between municipal responsibilities and current financial capabilities.

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However, at the same time, we do not support the extension of broader powers of taxation to municipalities in a capacity similar to the new City of Toronto Act in 2006. Combined with a rising Canadian dollar, increasing foreign competition and declining American demand, the Waterloo region business sector cannot absorb any additional municipal fees at this time.

Again, our chamber supports the direction assumed by the government over the past year with respect to corporate tax cuts, lowering operating costs and increasing the competitiveness of Ontario business. In the future, we seek a level playing field for the recruitment of physicians, investments in local skills training and the start of substantive initiatives to address the current municipal-provincial imbalance.

Thank you again and I would welcome any further questions from the committee.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government.

Mr. Wayne Arthurs: Mr. Sinclair, thank you for your presentation this afternoon on behalf of the Greater Kitchener Waterloo Chamber of Commerce; lots of material in there for us. I'm going to take my question in an entirely different direction, if you don't mind. You can choose to respond or say, "No, I'd rather not go there at all."

We've had a number of presentations during the past week and a half from groups speaking to the issue of poverty, speaking to a strategy of how one gets out of poverty. Kitchener-Waterloo has been a pretty successful community. It's done reasonably well over the years; your membership is large, a strong organization.

Four years ago, when we came to office, we made a commitment to increase the minimum wage to \$8. One of the other two parties made a similar commitment, but I think their intention was to maybe implement it all at once as opposed to staging it. During the course of the last four years, proposals came forward then to increase the minimum wage to \$10 immediately. Prior to the

election, our government committed to a three-stage increase, \$10.25 at 75 cents each of three years, which we stand by as part of the government's strategy.

Can you talk to us a little bit about the impact of increases in the minimum wage staged as opposed to doing it in a single entity; what the impacts are on the smallest of the small businesses; and how business will work, as they have with the increases from \$6.85 to \$8, to absorb the increases as we work towards giving people an opportunity to move to what we all maybe agree is a living wage or something in that range?

Mr. Art Sinclair: Thank you for the question, Mr. Arthurs. This is an issue that we have discussed at the chamber; however, we have not taken a position. I guess the challenge we have as a chamber of commerce is that we have members from virtually every sector of the local economy. We have tourism operators, people in the hospitality industry, for whom this issue is an imperative. Of course, we have people in the technology sector, we have people in the manufacturing sector; their wage rates are above the minimum wage level.

So we really haven't taken a position on this. We have, I guess, kind of deferred to provincial organizations, such as those in the hotel, hospitality and tourism industry, that have taken positions and made advanced proposals to the government.

Mr. Wayne Arthurs: Did the increases that we saw during the last mandate, up to \$8, create any substantive hardship for your membership that you're aware of?

Mr. Art Sinclair: Not that I'm aware of, no.

Mr. Wayne Arthurs: Thank you for responding.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO CATTLEMEN'S ASSOCIATION

ONTARIO CATTLE FEEDERS' ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Cattlemen's Association to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Dave Stewart: Thank you, Mr. Chair. My name is Dave Stewart. I'm the executive director of the Ontario Cattlemen's Association and I'm here today representing the Ontario Cattlemen's Association and the Ontario Cattle Feeders' Association.

We've handed out a small briefing kit. It includes a two-page pre-budget submission, which I would like to read into the record, an attachment of what we're trying to do to help our industry move forward, and another one showing how the real price of cattle has declined significantly with the implementation of the enhanced feed ban regulations. Appendix III is an outline of a risk management program that would be self-directed to attempt to expand the industry in Ontario. The fourth

attachment is an economic impact study of beef and cattle in Ontario that was undertaken by the University of Guelph, and some of the numbers from that study are quoted in our submission, so I thought you should have the full study.

Representing the organizations that speak for over 19,000 beef producers in this province, I would like to begin by offering my sincere thank you for the support for livestock industries announced in your economic statement. I acknowledge that this support placed Ontario in a leadership position vis-à-vis the federal government, and we are actively encouraging our federal government to move forward with tangible support.

I would also like to thank the minister for comments in his economic statement recognizing the importance of farms and farm families. Working together, we can capture the value created by the current commodity bull market and ensure that future Ontarians have a secure supply of safe, healthy and nutritious food produced locally in their own province.

In terms of the budget, there are two things specifically that we would like to see. First, we're requesting that the provincial government commit to continue to provide financial assistance throughout the upcoming year in the form of a payment program that would be calculated quarterly, based on the number of animals marketed in the quarter and on the market prices realized. The amount of the quarterly payment could be negotiated between government and industry. As with the most recent support, this payment should be decoupled from CAIS. We recognize that this is a short-term patch to address the difficulties we face; however, the farm families we represent need that lifeline to get to 2009.

Second, we're requesting that the province provide a \$20-million grant to fund a pilot program to manage risk for farmers supplying Ontario corn-fed beef. Details are attached as appendix III. As you may be aware, Ontario corn-fed beef has this past year gained acceptance by the Loblaws chain of retail stores. We have featured Ontario corn-fed beef at each of our annual Queen's Park barbeques since their inception. We are confident that with your support, we will demonstrate the feasibility of a risk management ledger account program, which will lead to growth for the brand through stable returns to producers. Support for Ontario corn-fed beef, a large vertical value chain, is one way in which our industry is participating in the Buy Ontario strategy and at the same time demonstrating leadership in presenting sustainable solutions.

Currently, our producers are caught in a real margin squeeze. The three main reasons why we have seen margins erode are: the introduction of the enhanced feed ban regulations not in harmony with our major trading partner; the rising Canadian dollar; and surging grain and oilseed prices due to government policy-driven establishment of the biofuel industry in Ontario, Canada and the US.

The entire beef industry is facing serious financial challenges with the resulting impact being worse than the

damage caused by BSE. Finished cattle pricing levels are so low, producers currently are losing \$300 per head as they sell market-ready inventory. An important point to note here is that we're sort of a biological producer and these things are planned out years in advance—in our case, a couple of years in advance—and then when things shift rapidly, we can't respond rapidly. Anticipation of high feed costs is driving down replacement cattle prices and cow-calf operators are facing prices which could mirror those of 20 years ago. We expect that losses will continue for the entire year and recovery will begin in 2009. The pork industry is also in distress, and losses will be felt in other infrastructure segments such as feed dealers and other input suppliers. If we allow the feedlots to decline, this in turn will lead to further losses of processing jobs in urban Ontario—like your riding, Liz—and a concomitant reduction in Canadian value-added GDP.

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The beef industry is very important to the province of Ontario. Stats Canada data show that there were 19,000 beef farmers in this province in 2006. Beef farming is especially important because it is carried on in every county and district in Ontario. By supporting the Ontario beef industry, the McGuinty government is investing in the families, businesses and communities of rural Ontario. The income and employment derived from this industry help support a broad range of rural infrastructure such as hospitals and schools. Beef farms create jobs in rural communities, from feed stores to grocery stores. Government and industry co-operation and collaboration can provide great opportunities for the farm families of Ontario and for the future generations of farmers.

Some of those statistics that I mentioned from the economic study: The value of beef production in Ontario in 2005 was \$1.2 billion. It's a positive contributor to Canadian GDP, \$964 million, and employs over 13,000. But for every drop in sales of \$10 million, value-added GDP will drop by \$7.4 million.

We do applaud such initiatives as increasing marketing and sales of Ontario product in Ontario. Also, we greatly appreciate the support your government has demonstrated through the inclusion of Ontario corn-fed beef within the Foodland Ontario banner. As you are aware, we have begun the delivery of support for regional marketing initiatives around Ontario, believing that local value chains are a good option for some family farms to pursue. We are convinced that these initiatives, and others outlined in appendix 1, will lead to a strong and sustainable beef industry which will positively contribute to Ontario's economy into the future.

I would also like to take this opportunity to express the importance of non-BRM programs to the beef producers of Ontario. While business risk management programs provide financial options for our farm families, all programs and policies have a great effect on their long-term profitability and competitiveness.

We request that all programs and policies be created with three principles in mind: First, a primary focus of

every program and policy should be to foster the competitiveness of Ontario's beef industry and producers on a global basis. Second, efficient regulatory processes that enhance competitiveness and innovation should be a clearly stated aim of policy. Third, policies should recognize the individual needs and differences of producers and provide for flexibility in delivery to accommodate regional issues. Each policy area, be it market development, food safety, research and innovation or the environment, should follow these three principles.

These requests are jointly endorsed by the Ontario Cattlemen's Association and the Ontario Cattle Feeders' Association. Thank you, Mr. Chair.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to Mr. Barrett.

Mr. Toby Barrett: Thank you for the presentation on behalf of the cattlemen. Thank you for yet again another barbecue.

Mr. Dave Stewart: We hope to be there again this May or June.

Mr. Toby Barrett: We hope you're there with the corn-fed beef.

I hear what you're saying on the \$20-million grant to help bring this in, and it looks like it's good news with Loblaw's. I've certainly attended my local cattlemen's Haldimand and Norfolk meeting, and I appreciate the need for, as you call it, a short-term patch to try and get us through this year of payment without having to go through CAIS and what have you. Probably not much can be done about the Canadian dollar, and we're told to get more competitive. I know in Haldimand county we're going to lose our cattlemen. Some of them will still be farming and still working in the steel mills, but they'll be growing corn or soybeans. I think that is quite regrettable because that has been the anchor of that county for 100 years, I suppose.

The enhanced feed ban: I guess part of this is federal, and maybe you could briefly expand on that a bit. I understand Canadian cattle, maybe eastern Ontario, are shipped over the border, processed in the United States and shipped back. Is that part of it, because they've got a different set of standards over there?

Mr. Dave Stewart: Yes. Right now there's a cost advantage to processing in the US because of these enhanced feed ban regulations of somewhere between \$40 to \$80 per head, depending on the plant and how the plant is set up. So there's quite a financial benefit for moving those jobs out of Ontario and out of Canada, and I think that's a shame.

Mr. Toby Barrett: I know Ted has a question, but one more on the grain and oilseed prices: Part of my income comes from soybeans, and we welcome that, but we know, and as you've stated, due to government ethanol policy, at the Haldimand meeting we did put forward a resolution that will be coming to the OCA with respect to this and the pressure that's put on anybody feeding livestock, cattle or hogs. Because government policy has created this change in price, the reasoning is, where is government policy with respect to compensation

for any negative effects it may have had on other commodities like beef or hogs? Any comment on that?

Mr. Dave Stewart: One of our positions, and it's been a position since we were in the discussions over the Nutrient Management Act, is that before any regulation is enhanced, we've got to take a look at who benefits and who pays. So we have a position that, before new policies or regulations come into place, we would like to see an economic cost-benefit impact study. That's a standing position for our association.

The Chair (Mr. Pat Hoy): You have about two minutes.

Mr. Ted Arnott: Hi, Dave. It's good to see you. I just want to congratulate you and compliment you on the outstanding work you have done and that your organization has done to represent your membership during the current crisis we're facing in the beef industry. We had a chance to see each other at the emergency meeting that took place in Listowel before Christmas. I think the cattlemen's association has been a real stalwart in terms of its representation of its members as we go forward in relation to the ongoing efforts to get the government to support the beef farmers.

I had lunch today with a gentleman who used to be involved in the beef industry and who came from a farm family years ago. We were talking about the current crisis, and I said, "What exactly does the government need to do, in your opinion?" He said, "Government needs to help keep the farmer alive in the next year." That's exactly what you've said in other words in your presentation. I certainly would express my strong support for what you're asking for from government. Hopefully, during the concluding part of this process, where we make our recommendations to the Minister of Finance, you can be assured of the support of the Progressive Conservative caucus as we call upon the government to continue to support your members and your industry to get through this crisis so that in the future they have years of profitability ahead of them.

Mr. Dave Stewart: Thank you, and thank you for those kind words about our association. One of the things I've appreciated, being executive director of the association as we've gone through BSE and now are in a bit of a bad market slump, is the fact that all parties have been able to work together and come together for the farmers of Ontario. We do appreciate that; we appreciate the great support we've had from all parties.

The Chair (Mr. Pat Hoy): Thank you for the presentation.

ONTARIO VETERINARY MEDICAL ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Veterinary Medical Association to come forward, please. You have 10 minutes for your presentation. There could be five minutes of questioning. Please identify yourself for Hansard.

Dr. Reg Reed: Good afternoon. My name is Dr. Reg Reed. I'm a mixed animal practitioner, a veterinarian, from Perth county, in the small town of Mitchell, which isn't too far from Listowel, which was alluded to in the last presentation. I happen to be the president of the Ontario Veterinary Medical Association. This is the second time I have been to the standing committee on finance and economic affairs pre-budget meeting. I've also been at two of the pre-budget deliberation meetings recently—one in Hamilton—and the OVMA was also at meetings the year before that. So this is the third time we've been at this meeting and three times at the pre-budget deliberation meetings, all kind of emphasizing or asking for the same thing: for the government to recognize Ontario veterinarians as health care providers, and to provide us with the same tax considerations as other health care providers, namely doctors and dentists. You may remember that we were the only health care providers left out of the 2005 legislation that would, subject to the enactment of appropriate regulations, allow health care providers with professional corporations to reduce their families' income tax burden, allowing family members to become non-voting shareholders in their incorporated business. That's the gist of this.

1430

It's interesting: The previous speaker, Mr. Stewart, alluded to the crisis that is the rural area with the cattle industry. Also, the swine industry is in the same sort of turmoil. Over the past five years, 25% of food animal veterinarians have left the industry. Most food commodity animal groups—the cattlemen's association, the pork producers, dairymen—are becoming concerned about the lack of veterinarian services that they can obtain. One reason is that, as there had been contracture in their industry, there has also been contracture in ours. As I said, 25% of us quit. You're out there, working long hours, driving further distances because there are fewer of us. Your weeks may be 70 hours, so to sustain some sort of normal family life, your wife stays home. Our income looks pretty good because we're working so many hours, but then it's taxed away. Too many of us are feeling, "What are we doing this for? Let's move to town, work fewer hours, make whatever, and our wives can work and we can have a much better family life."

I think the whole thing of providing service to food animal agriculture is essential. In the handout that I've submitted and passed around, if you take a look on page 2, "Quick facts: Ontario has the largest agriculture sector of any province, with sales of \$8.2 billion in 2005. Of that amount, 55%, or \$4.5 billion, is derived from the livestock and poultry sectors." We're integral to those endeavours. If you ask the Minister of Health today about how important we are, with zoonotic disease—the mess they're in with this rabies problem that they're currently dealing with—I think he'd agree that we're definitely health care providers. We're integral to protecting the Ontario population.

If you're looking at sustainable agriculture, we're part of that. This tax consideration would definitely help us. If

the veterinarian was able to split his income with his spouse through that tax grant the same way doctors and dentists are—I argue that we are health care providers as well—it encourages those veterinarians to stay in rural towns like Mitchell. It'll help sustain rural agriculture, food animal agriculture.

That is, in essence, the gist of my presentation. You may remember our discussion at last year's meeting. I mentioned at that time that the Minister of Finance's policy adviser in 2006—when we recognized that we'd been overlooked, we approached them, and that adviser said, "Well, of course, we do recognize you as health care providers. It's an omission, it was a mistake," because we're governed by the Veterinarians Act, which is governed by a different ministry—the Ontario Ministry of Agriculture and Food—rather than the health care professionals act, which is governed by the Ministry of Health. So that's how we slipped through the cracks in the floor. They thought, "We'll fix that soon." However, that policy adviser left his posting. Since then, we've been struggling to receive the same sort of recognition.

I do believe that political aides changing positions should not result in the government not being accountable for their commitments. "Accountability" is a word we hear over and over from CFIA and other government agencies. When I'm working on the farm, I'm accountable for certain advice regarding welfare and reporting certain diseases that are reportable.

My impression last year at the Belleville meeting was that the committee seemed as surprised as we were that this hadn't been rectified yet. Yet when the budget came out, it still hadn't been rectified, which led us to a lot of confusion and frustration.

Tomorrow is our annual Ontario Veterinary Medical Association conference in Toronto. We have our annual general meeting on Friday, and I will be reporting to everybody that we are still not considered health care providers and that we're still not taxed the same way, which is going to be a bit of a negative report for the past year. But we are pushing on with this because we feel it's especially important for our large animal food veterinarians to help sustain ourselves in rural communities.

Most of the submission you have in front of you is actually much the same as what we have submitted in the past. Again, under those quick facts, one other thing we haven't mentioned is that there are several hundred—just coming back for a minute, we are a small group. I apologize; I realize that a lot of the people who have preceded me represent a lot of people and certainly deserve your attention. We are a small group; there are only 3,300 of us in Ontario. A couple of hundred that aren't mentioned there are involved in academia, research and working for pharmaceutical companies that help to develop new technology and bring that new technology to us and the human profession to deliver. Again, that's just to emphasize how we are involved in the health care profession.

We have mentioned different programs that we're involved with. On page 4, the VSTEP program: It's kind

of amusing to us that the government considers us health care professionals when it comes to establishing a program like that, but they don't consider us to be health care professionals when it comes to tax considerations.

Our MPP link program: Pretty well all of the MPPS that we have talked to have sided with us on this issue when we've talked to them directly about it.

A further consideration: It was interesting. Last year Dr. Bob Friendship from the University of Guelph came to me and said, "Reg, we've got funding from OMAFRA. We want to monitor what's happening in the field, and we'd like food animal practitioners to provide us with a form, faxed in once a week, listing all the different things you've seen out there. For instance, maybe you see sows terrorizing their housing three times that week and you don't think anything of it, and maybe the other veterinarian who works with swine in your practice sees a couple of those cases, but the two of you don't talk about it and don't realize something's going on. And maybe, because you're not communicating with other swine practitioners out there, the same thing may be happening in their practices, but you're not putting two and two together that there's an issue happening here. So we'd like everybody to list the different diseases or conditions you see during the week and fax them in. We've got money to collate this and put it together in a computer system, where we can watch disease trends. This will help us pinpoint what's happening in agriculture, and we're going to implement it in the swine industry first." I said, "Bob, why would we do that? First off, you always tell us that information is money, and it's going to take us extra time during the week to do that." He said, "Well, because you're good guys and you're interested in the health and well-being of Ontario citizens." I said, "Yes, but they don't treat us as health professionals." So I asked him to take it back to OMAFRA to see if we couldn't get some push from them for consideration.

This is the type of thing we're often asked to help out with in human health. I know in Perth county, after this rabies situation, the health officer will be asking us to provide some rabies clinics, and we will be subsidizing that.

The Chair (Mr. Pat Hoy): You have about a minute left.

Dr. Reg Reed: I think I've made my point, so I welcome questions. You know what I'm asking for. Financially, it is a small group. It's going to cost the Ontario government about \$2 million to give us this, and it will help keep veterinarians in rural areas. Please consider it. I'd like to not have to come back again next year. However, thank you very much for inviting me, because that tells me that at least you're still considering it. That's good.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning goes to Mr. Prue.

Mr. Michael Prue: Thank you very much for your deputation. I'm disappointed you have to make it again

too. It seemed to me last year that the committee—all three parties—were unanimous in recommending this.

Where did this fall down? You explained that one adviser to the minister left his or her post and things seemed to fall apart. How many meetings have you had in the last year with government officials to get this on target?

1440

Dr. Reg Reed: I have only been at one before this, and that was the pre-budget deliberation in Hamilton. Our person in charge of government relations is Angela Cerovic, and I know she has been in contact with people many times.

Mr. Michael Prue: And in these many, many times nothing seemed to be able to be done. This would only require, in my view, a regulation change. Have they told you what would have to be done to accommodate this? Do they need legislation? Do they need a regulation change?

Dr. Reg Reed: I think your committee needs to take this to the Minister of Finance and make a recommendation. It's my understanding that that's what has to happen.

Mr. Michael Prue: That's in terms of the money, but I believe they'd also have to recognize the Veterinarians Act. More than likely it would have to be legislative. Has anybody indicated to you that they're preparing legislation?

Dr. Reg Reed: No.

Mr. Michael Prue: It's a simple matter for us to say, "Put \$2 million in the budget," but unless they change the legislation it might be very difficult. I would suggest your group should go to the Minister of Agriculture and press this, as well. That's just my advice.

Dr. Reg Reed: I have done that, and I have also had meetings with the chair of the rural caucus. That was last year.

Mr. Michael Prue: And they have not advised whether or not—

Dr. Reg Reed: They've nodded their heads, "We're on board"—

Mr. Michael Prue: They've nodded their heads; they want to do it.

Dr. Reg Reed: —but I don't know where the logjam is occurring, if that's what you're asking.

Mr. Michael Prue: That's what I'm trying to find out so that I can assist you, even if I only stand up in the House and ask the minister what's happening.

Dr. Reg Reed: So you think we should approach the Minister of Agriculture?

Mr. Michael Prue: To see whether or not a legislative change is required. Maybe that's the logjam; maybe it's not so much us recommending \$2 million. If you can't get the legislation changed, why would they put in the \$2 million?

Dr. Reg Reed: I think that if we're recognized as health care providers, it would go through, but maybe not.

Mr. Michael Prue: It's your act. That would be my inclination, too. I'm not a lawyer, but I think the government lawyers will be able to tell you if that's a stumbling block, and if it is, get that done, too.

In any event, all I can tell you is I think everybody around this table still supports you. Hopefully, this recommendation will go before the minister and the minister will coordinate this with legislative change. I can't imagine anyone will stand up in the House and talk about this for hours; at least I hope not.

Dr. Reg Reed: It's a small group. Thanks for bringing me back.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

HALDIMAND FEDERATION OF AGRICULTURE

The Chair (Mr. Pat Hoy): Now I call on the Haldimand Federation of Agriculture to come forward, please. You have 10 minutes for your presentation; there could be up to five minutes of questioning. I will just ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Ronald Young: I'm Ron Young. I'm the president of the Haldimand Federation of Agriculture. Beside me is Frank Sommer, our treasurer. I'd like to thank you for allowing us to speak today.

We've gone through some pretty hard times in the last little bit. The big thing is that Haldimand county has faced a lot of problems this summer, like drought, etc.

I am going to read some of this and then I'll speak to it.

We appreciate the desire of the committee to concentrate on the specific four questions posed by the minister for referral to the committee. The major problems faced by our farmers, however, are current, immediate and do not lend themselves well to debate and extended dialogue. It seems we are constantly drifting from crisis to crisis without real opportunity to stop and deal with the systemic weaknesses of the agricultural sector as a whole. We need immediate action to prevent serious damage to our industry and to counter the very real and immediate threats facing our farmers.

Just to follow up on the previous speaker, the veterinarian: I'm a cow-calf operator, and large-animal vets are a major concern. We have put things through to the OFA to try to promote getting more large-animal vets within the province. We tried to make it so that if you go through the Ontario Veterinary College, you have to do a stint in large-animal practice—anything to keep them in there. So far, it's kind of fallen on deaf ears. There's too much more money in pet medicine than there is in large-animal practices.

One of the other things is that in Haldimand county the soils are heavy clay. They impose unique limitations to the diversity of our agriculture. The majority of the land base is devoted to livestock and grain production. We do have some pockets that are suitable for market

gardening and the fruit and greenhouse industry within the county.

Last year, we had a severe drought. Parts of the province were blessed with rain, but we weren't. Our hay crops were anywhere from a quarter to a third of normal production; pastures would be the same. On existing insurance policies—CAIS, the various different programs—they're not covered. Grains are, but the pastures aren't.

The BSE saga has caused a lot of problems in the beef industry. There's a meltdown right now on beef: The calves are bringing nothing at the sale barns and finished beef products are down. The price is still up at the stores; it hasn't dropped there. With those prices like that, you can't afford to buy hay. The moral of the story in our area is that a lot of the beef farmers are actually getting rid of their cows and calves because they just can't afford to keep taking a loss on them all the time. Prior to BSE, the cattle industry was looking good. Personally, we got \$1.40—for 700-pound replacement calves; this fall, I got 65 cents for the same calves. So you can't afford to keep going that way. It is now becoming a burden on families. There are no finances there. There are two people, generally, working. One or both have off-farm income to support the farming.

Along with that, the pork industry is in real financial strain. It's been well publicized; you can't open the paper without seeing something about the price of pork. Some of this is also coming into effect because of the US dollar dropping down in relationship to our dollar.

One of the concerns that I have is about the costs of compliance to produce food within the province and the country. I've listened here to some of the various things, and some of them are minor, but some of them add up—like licence fees for businesses and vehicles. I have a \$900 bill for vehicle licences. You have to do e-tests on your vehicles; you have to do safety tests on them. The minimum wage will be bumped to \$10.25, coming up. Workmen's compensation is \$7.10 per \$100, so that's another 73 cents on that minimum wage. You also have to supply the EI and CPP portion of their premiums.

One of the major thorns in my side is that we're being legislated to have to have all the safety training—WHMIS, chainsaw, all the different courses like that. It's mandated in department of labour standards that you have to have a certificate to say you can operate that chainsaw. That costs money and costs time. That's one of the bad fallout. The province could pay for and put on these types of training seminars. It would not affect any of the free trade agreements because it's not a subsidy or anything else, and it would be a boost to helping farmers.

Along with that, there's the cost of health and safety representatives and committees—again, coming back to department of labour standards. Farmers within this country practise some of the highest standards for all phases of food production anywhere in the world. In most cases, there's a fairly good traceability of food from the source to the store.

Now we're faced with nutrient management compliance, and there are costs involved in that.

There's a lucrative nightmare of obtaining building permits: MDS—minimum distance standard—formulas and engineering stamps on drawings before you can get a building permit. It all costs more money.

1450

These are just some of the additional costs required to produce some of the world's safest foods. While the objective of these measures can hardly be argued with, it must be realized that farmers not under the supply management umbrella simply cannot pass on these ever-increasing costs of production. They must in fact compete with imported product produced with much lower labour and environmental standards. That's a major concern.

The ongoing uncertainty in the progress of WTO negotiations and the long-term sustainability of supply management commodities is resulting in many of our smaller dairy farmers abandoning the industry and selling their cows out because they don't know whether they're still going to be here next year or not.

The threatened closure of processing facilities affects both livestock and fruit and vegetable producers. Recently there was a tender fruit plant closed in the Niagara Peninsula, and that was, I think, the last tender fruit processing plant this side of the Rocky Mountains. Now my neighbour has put in a pear orchard; he has no place to put his pears and sell them. There's a lot of that in the province, so now we have this situation of nowhere to get it done. That's another farmer who's going to be looking for something.

Some of the observations and recommendations:

There's a mood of despair in sectors in our farm community that cannot be underestimated. Of primary importance is the need to deliver promised aid as rapidly as possible with a minimum of red tape.

It must be recognized that not all costs of compliance should be allocated to the farm sector. The cost of compliance such as specified risk material and dead stock management is of no direct benefit to the primary producer and should be considered a cost to society at large. Basically getting rid of those parts, the farmer doesn't receive any money for them anyway, so it's the consumer who benefits from that, and safety.

The farm sector is at least as important to the health of rural Ontario as the auto sector is to Windsor and Oshawa. We urge the Ontario government to aggressively pursue the retention of the remaining processing facilities in the province for agricultural purposes.

It is vital that the Ontario government co-operate with the federal government to counter determined efforts of the US government to recapture a larger share of world trade through a devalued currency. The survival of Ontario agriculture is at stake.

We really, really need to keep it going because once it's gone, it's going to be hard to bring it back.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mr. Wayne Arthurs: Gentlemen, thank you for being here. Some of those around the table are far more knowledgeable in this sector than I am, those who are practising in the field, as such. So I feel a little less at ease in the questioning at this point, but that's okay.

First, thank you for the work that you do, on behalf of all of us as we use the products that the agriculture and farm community provide for us on a daily basis. Obviously it's important. The challenges are significant, and you've articulated them extremely well as to where we find ourselves today.

The recommendations you're making are broad and fairly generic. Is there anything within that context that you would like to focus on more specifically that the committee should be considering as recommendations to the finance minister in real-dollar terms?

Mr. Ronald Young: It's very hard, because each sector has its own unique needs. The biggest problem is that people are still reeling from the BSE problems that started in 2002 and 2003, and they've never got really on their feet from that. In a lot of the cases, the timing from when monies are made available until they actually get to the farmer is such a long time frame that it almost becomes redundant. Right now, people are still hurting from last year because of the drought. We have no monies coming in to help us for that. Do we go ahead and plant or put crops in this year? You have to make that decision before monies are available. So there's that. It just takes too long for it to come through.

Mr. Wayne Arthurs: In my limited time, my experience has been that we're often times trying to play catch-up with all of the various aid programs. The provincial government in a number of years—and just in my limited experience, the last four years, it has been that almost each time there's an opportunity or need to address a specific sector and try to bandage it and hold it together a little bit with some support—everything from processing plants or dead stock or the BSE or grain oilseeds—there doesn't seem to be much let-up along the way in being able to get out in front of it sometimes, rather than always playing some catch-up.

Mr. Ronald Young: I think it's a little bit like the automobile industry. You have imports coming into the country and you want to protect your own business here. We can see it being eroded; that's what's going to happen here. I know with the tender fruits, the pears and peaches and that are coming in from China. Their health and safety standards, as far as how well the product is done, what pesticides are used over there—we have no record of that. So we're not on an even playing field, and how you correct that, I don't know.

Mr. Wayne Arthurs: One of the recommendations and comments we've heard at various times is that we need to do more to promote Ontario or Canadian product as much as possible, put some additional strategies in place so that the consumer is better educated or more aware of the availability, rather than just going to the store and picking the first thing from under the counter,

and not necessarily paying attention to the products that they're actually buying. From a broad public perspective and an education perspective, would that in the longer term also be a benefit?

Mr. Ronald Young: Yes. One of the things too is that right now—I could be wrong but I think the number is that if there's 51% of value into a product, it's considered a product of Canada. So if you were to buy carrots from Australia and you packaged them up here and if 51% of it was Canadian, then automatically that's now a product of Canada. There was a caption in the paper recently, and it said "Product of Canada: Cut from USDA Number One Beef." I mean, that really sums it up. How does a consumer—it says "Product of Canada." So there really needs to be—I think it's called "country of origin," and that's what you really need to have on your labels.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

I'm advised that none of the next presenters are here, so we'll recess until one of them should arrive. Please stay by.

The committee recessed from 1458 to 1508.

UNIVERSITY OF GUELPH

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. We have the University of Guelph here. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questions following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Pamela Wallin: Thank you, Mr. Chair, and thank you for the opportunity to be here. I'm Pamela Wallin. I'm the chancellor at the University of Guelph and relatively new to the institution. But as some of you will know, I've been up to my neck in Afghanistan, and came down here today, and it's actually because these issues are related. Our time on the ground in Afghanistan, needless to say, was a life-changing experience. One of the things we witnessed was young girls going into schools, probably at the age of 11 or 12, and picking up a pencil for the very first time and writing on a piece of paper that they're sharing with two other young girls in a room that doesn't have any electricity. It becomes pretty stark to you just how important the question of education is. So it's the reason I'm here today. When the president called and said this meeting was under way, I felt that it was important to try, if I possibly could, to share with you some of the passion that I feel about this.

When Alastair called me to ask if I would consider being chancellor, there weren't really enough hours in the day. But because of what the University of Guelph is doing, what universities across this country are doing and what this institution in particular is doing, I feel that it's really important. You may or may not know our slogan. You'll see it in some of the documents that you've got: "Changing Lives; Improving Life." That's the very thing that drew me to this institution in the first place.

The kind of work that goes on in our universities now is fundamental, literally, to how we are going to live and breathe in the future: how we're going to deal with our economy; how we're going to deal with the bio-economy; how we're going to deal with our environment; how we're going to deal with the multiplicity of issues that are impacting us, things we couldn't even have imagined 20 years ago in terms of change—disease and all of these things. Guelph is really a place that's creating answers. I was amazed to discover that in the agricultural sector there's work going on at Guelph that is changing the tobacco fields, using that same plant for something that will become the base for antibiotics, something we're all going to have to be dealing with; and plant parts, plants that are becoming auto parts because steel is just too expensive. It's one of the very few places in North America—I think it may be the last place that is doing the real research for NASA about life in space, again, quite literally. The work is amazing, and it is so important in these institutions.

One of the things Alastair had said to me when we talked initially about my coming to be the chancellor there was that we need to be re-envisioning education with all of the technology, with all the pressing issues that are out there now. It can't be the good old days the way we probably all experienced post-secondary school. It's got to be new.

I do want to say that I think the provincial government—and I know the Premier. He came to the United States several times when I was there as consul general, and I know this issue matters to him. He really has shown leadership in terms of the support for post-secondary education, and the emphasis on research and innovation is also really important. In an earlier life I sat on the board of the University of Waterloo. We've seen that prime example of where the community and the university come together. I'm telling you, there wasn't a day in New York that I as consul general didn't hold up that BlackBerry and say, "This is what Canada is about." We're doing those things at the University of Guelph with the same kinds of connections that exist between the corporate world and the university world: Monsanto and companies that are helping us come up with some of these answers. This is crucial because we have to be creating the kind of workforce of tomorrow that has to be educated on these issues, on these bases. It's a much more complicated world out there, and education needs to reflect that.

The kind of investment this province and the people of this province have put into the system so far is huge and, as I mentioned, through research and innovation and even recently on the building renewal funds—I'm thrilled to bits about that. Even on these old campuses you've got these wonderful old buildings that you want to save. But it is so crucial, in running a university, that we have to be able to plan for the future. Again, we've seen some willingness now to talk about long-term sustainable funding so that we can plan in a more intelligent way, like companies do, and have a business model and a plan

that will get us into the future. But you need longer-term planning for that.

I just want to leave you with the thought, and it's of course why you're on this committee and why you care, that the universities today are vital in generating the jobs and the wealth of our future so that we can continue to live in the kind of country that we live in. Believe me, you don't always need to go to these places that are so profoundly poor, but when you do, it makes you appreciate in an extraordinary measure what we have here. It seems so simple and it's so obvious that education is at the core.

Again, thank you for giving me this opportunity.

Mr. Alastair Summerlee: Thank you very much, Pamela. I'm Alastair Summerlee. I'm the president and vice-chancellor of the University of Guelph. I echo the comments of the chancellor, thanking you for this opportunity.

There are two messages that I would really like to leave the committee with. One is that there has been an outstanding investment by the provincial government in the post-secondary system, both in terms of educating students and in driving the research and innovation agenda. The second message is that that needs continued feed and care. It needs continued support for that investment to remain vibrant and successful.

It's an illustration of the power of that investment when you look at the impact that just one area has had. Recently, Deloitte produced a report indicating that for every \$1 that the provincial government has invested, more than \$21 have been returned in terms of jobs, in terms of wealth creation and spinoff activities. At that level of investment, I would suggest that this is a very important place for the province to be investing.

It is also critical for us to be training people to have a future in that new economy, especially the bio-economy. That, I think, is something that we need to think very seriously about as we're trying to protect the quality of the educational experiences at colleges and universities in the province. Part of that has to be a commitment by colleges and universities to engage in a more seamless educational pathway and processes for all of the graduates from high school or students who leave high school. There is a commitment, absolutely, from the university and college sector to do that, but it's very important for us to be thinking about how we make sure that the unique educational processes that we have in Ontario are supported. I would ask that you consider very carefully the continued support of the post-secondary system, its research and innovation agenda, and its educational processes as you provide advice to the minister.

The Acting Chair (Mrs. Liz Sandals): You're done already?

Mr. Alastair Summerlee: Done already. You wanted 10 minutes, but we're very happy to answer—

The Acting Chair (Mrs. Liz Sandals): And we got 10 minutes. It's the opposition's turn to ask questions, so over to the opposition.

Mr. Ted Arnott: I want to thank you very much for your presentation. We really do appreciate the information that you've conveyed today and the evident pride that you have in your institution. Obviously it is well earned and well deserved.

You've talked about, in general terms, what you think you need from the provincial government in terms of support for post-secondary education. Do you have any specific suggestions as to what you would expect to see in this provincial budget in terms of programming and financial commitments? Anything in specific terms?

Mr. Alastair Summerlee: Yes, there are three things that I would like to suggest. The first is that there have been protracted discussions about the renewal of the partnership between the University of Guelph and the OMAFRA contract. This is not just related to the University of Guelph; it's actually related to the agri-food sector across the province, the second-largest industry in the province and one that indeed is seeing a very considerable resurgence and clearly has an impact across all ridings in the province. There is, I think, an opportunity here, having come to the conclusion of discussions with the government about the renewal of that contract, for there to be a significant investment by the provincial government. I would hope that one of those three things would be to see a fulfillment of what has now been almost a 100-year partnership with the university sector in increasing the support.

The second thing is in terms of the quality of education. It is very clear that a significant investment has been made in the system. We need to make sure that we can capitalize on that when we have such a huge number of students who have now been able to get access to the university system. We have one of the best university systems in terms of accessibility, and we need to make sure that we can give those people the education they need.

The third is that we need to think very seriously about supporting those students to be able to afford that education—so a planned attention to student aid, student support, in being able to realize their goals in the service of Ontario.

Mr. Tim Hudak: Thank you both, Chancellor and President. Chancellor Wallin, again, thank you for all of your work on the Afghan project. We appreciate your ongoing interest in important public affairs, and congratulations on your new position at the University of Guelph.

As you may know, I represent the west Niagara area, so the Vineland Research Station, which the University of Guelph has been a strong proponent and manager of for some time now, is an important issue. We appreciate some of the recent news, and perhaps you could, if you have a chance, for my constituents, indicate some of the future plans that you see for the Vineland Research Station and Guelph's role.

My second question, in the interests of time, would be on tuition and the ability of universities to have some flexibility in administering tuition rates.

1520

Mr. Alastair Summerlee: Two things, then. Can I respond on the Vineland side? As you may know, the University of Guelph has 12 research stations spread across the province. I often talk about the fact that we probably are one of the most geographically spread campuses. It takes 29 hours to drive from one end of the University of Guelph to the other. Among those research centres is the Vineland research centre, which has recently begun a spectacular transformation, very much engaging the private sector in the renovation and development of Vineland, including the provincial government, which has come to the table—one would hope the federal government is also coming to the table—where we can truly get engaged in creating the kind of research directly related to the grape and wine industry in particular, but also the soft fruit industry. There is some mushroom work there as well. If you ever think we are involved in keeping things in the dark, it's true.

The other side that you talked about was the flexibility on tuition. Yes, there is no doubt that flexibility on tuition would be very helpful. The challenge is matching that with the support for those students who cannot afford it. I would hope that this is something that is not one side of the equation or the other but is very much related to a balance to make education affordable for all of those people we're trying to attract. We have done a spectacular job as a system in increasing accessibility—in fact, were far more successful than I think any of us thought we were going to be—and that has created a bit of a challenge in terms of the number of students who are looking for access to the university system. Needless to say, we still need to support those people, and that's a balance between the tuition and the student aid side.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

JOHN SCHEPERS

The Chair (Mr. Pat Hoy): Now I call on John Schepers to come forward, please. Good afternoon. You have 10 minutes for your presentation. There could be five minutes of questioning. I would just ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Mr. John Schepers: My name is John Schepers. I appreciate this invitation or this opportunity. I'll just start my speech. Oh boy, I'm nervous as hell here. I'm going to do a couple of points and then do a speech, as if I'm the Premier of this province. Then I'm going to go on as to why I'm doing it. So I'll start this. Ladies and gentlemen, thanks for the opportunity.

Joseph Stalin once said, "Give me control of a nation's money and I care not who makes the rules." During the Klondike gold rush, if you were to take all the gold that was ever mined there and put it into 1939 dollars, it would only pay for 20 minutes of World War II. You see, money is but a perceived value and a gauge as to how well we feel the economy is doing. This country and

many others have gone into debt for years and years, and the only reason they could do this is that they created a pyramid scheme. As long as there was growth on the bottom, then everything is good. Ladies and gentlemen, that lack of growth is about to topple your pyramid.

In 1881, Sir John A. Macdonald, a man of vision, started on a 10-year mission to create a high-speed mass transportation system. He finished it six years ahead of schedule. Keep in mind, there was no income tax. All the tunnels were built by hand. John A. Macdonald was a man of vision. He was not an engineer; he did not dwell on details and legalities. He knew that the outcome would heal all ills.

In 1981, if you were to get in a truck in Texas and travel to Montreal, you would have come across 14 traffic lights, all of them in the city of Windsor. They are still trying to figure out how to solve that problem.

Now my speech: To my fellow Ontarians, today we stand at a crossroads. Do we stay the course of the past, the course of the rest of the world, or do we fight: fight for prosperity, fight for justice, fight for a model of government that all other governments will envy and follow, fight for a transportation system that will remove the car from the planet? I know your jaws are dropped and your skepticism is high, and it should be somewhat, for this has never been tried. There's no guarantee.

But why can Canadians do so much when it comes to war but do so little when it comes to peace? I'm saying to you that if we put the same effort that we put into war into peace, we can change the world. It starts now. It starts with your vote. It starts right here in Ontario. This is a colossal dream with colossal benefits, and it will come with temporary hardships, tears and maybe death.

We have analysed how we as Canadians achieved a mass transportation system in 1881 and how we built so many tanks, warplanes and ships, and it is surprisingly simple. The ratio of government worker to private worker was less. The ratio of lawyers to population was less—less red tape, which I believe is the problem we have in Windsor. The ratio of government wage to private sector wage was less. The building and maintenance of roads was easier and less expensive. There was a higher volunteer ethic.

I'm here to tell you that I'm not just talking. We have put into place a means of reducing government wage and staff to a sustainable ratio. We have created a legal system that will allow less red tape and fewer people being sued. Our judges will be held accountable. We started on a transportation system that will speed up the movement of goods and people, a system that will see the car's demise.

We have plans for a car to be produced by Ontarians that is one of the safest, most fuel-efficient and environmentally friendly cars on the planet. This car will have a reduced price, and all profits will go to building the MTS, the mass transportation system. By purchasing this car, you buy Ontario jobs, you get the greenest car on the market and you contribute to the car's demise.

I want you voters to know that we take this endeavour very seriously, and we will take cuts along the way. We will hold departments and people who collect your tax dollar accountable. We will open new prisons underground where work ethics will be taught and subway tunnels will be built. There will be random drug tests, for people being paid by tax dollars, with harsh penalties. Extremely large pensions of politicians will be changed. The three months off in summer for cabinet ministers—gone. Work ethics will be taught to multi-generation welfare recipients. Work ethics will be taught to gun-wielding crooks. We will encourage and market heavily Ontario savings bonds as an investment that will rid the world of the worst environmental invention ever.

This undertaking is of unprecedented proportions, and its benefits will last forever. This is the day the world will change—not by some other country, not by your neighbour but by you, the voter.

The benefits will be many:

- the MTS will attract business;
- there will be new industry created to build the MTS in Ontario and, later, the world;
- the Ontarian car will have great short-term benefits;
- work ethics will be back;
- the lower cost of maintaining an MTS, compared to roads, will translate into lower taxes;
- the decrease in noise and emissions will translate into lower health care costs and a higher quality of life;
- pride of being the one to take the first big step in saving the planet;
- an increase in businesses that want to relocate to this efficient area;
- a more streamlined, no-bull government and prison systems;
- an increased community atmosphere which comes with volunteer attitude;
- that \$8,000 a year that people save by not needing a car.

So on election day please remember that this time your vote is going to change things. This time your vote means more than ever before. For all you people who don't vote, it will be your vote that decides the future of the world. There will be people with money and power who will be against this campaign because of its immediate effects on their pocket. They will have influence on other powerful people. So I'm calling on the people of this province to unite and stand against greed, for a better world.

Yours truly,

The next Premier.

I'm going to go to points that I just want to clarify so everybody gets the whole idea.

One of the major points of this speech is the MTS and how it would be designed. Initially, it would be for commercial tractor-trailers and buses. In London, England, they have a lot of passenger trains and a lot of gridlock. It is the way we are: We like our car, we love driving our car, and we all want a high-speed train to

carry everybody else so we can drive with no gridlock, right?

1530

The only way to limit the car, I feel, is to produce a web of tracks so you don't need a car, so you don't insure a car. If you insure a car, you might as well drive it, and that's the problem. So by thinking freight, the initial cost of building the web will be happily done by business, as they will save money driving their trucks. This was the reason that in 1881 that train system was not built for people; it was built for cargo.

By using people's united excitement and determination, you can harness tremendous power: for example, World War I and World War II. By being the first one to try this approach, you have the most chance for success; i.e., there is a higher hope because it hasn't failed yet. As a water hole dries up, the animals react differently. In the past, this caused war. So let's divert this energy to peace.

When thinking about the cost of this project, factor in exponential fuel price increases. When fuel runs low, business will locate in this area. Every expansion of this will mean fewer cars and increased ridership on local transit systems: TTC.

When you have debt, you rely on growth, and this very growth is putting more debt, because you have to upgrade roads and bridges to handle the volume. In short, I remember seeing an old picture of Guelph that had more bridges across the river than we have now. At that time, Guelph was but a small town, and we had a Guelph concert band that was being paid. This is a luxury that the city can't even think about today, and we've got five times the population and income tax being collected. I think that it is the roads. It's the one thing I can think of, why things could be done in the past and not now, and the ratios, of course.

This united movement you want to create won't work without major changes at the top, even just to get the population involved. They may not make that much of a difference, but you have to do these big, major changes to get people going. "Oh yeah, this is going to happen. This is going to work." Streamline the government, the penal system, the justice system. The Young Offenders Act: Just changing that alone will get people excited. When the movement starts, there are going to be buzzwords, and every environmentalist in the world will be buying savings bonds. That is what will help pay for it.

Here's why this has a chance. By building with tractor-trailers in mind, you get the business world happily paying for it. In 1881, the train was for cargo. By holding excitement in the public and the world, you get the money from the car and the savings bonds. Exponential fuel price increases will help. As you get the heavy tractor-trailers off the road, you get less road maintenance costs, so you save money. When you do it for cargo and get communities trying to attract industry in their industrial parks, they will be squeezed to build spur lines. When enough spur lines are built, you simply connect the dots and add passenger rail. When cheaper

nuclear hydro comes on, you simply convert all trucks to electricity because you planned ahead and made some type of electrical grid. By using the tractor-trailers as a start, you have other provinces and states that can add spur lines across their gridlocks. They're all using the same wheel base or whatever from seaports to rail yards and rail yards to highways. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning goes to Mr. Prue of the NDP.

Mr. Michael Prue: I really just want to thank Mr. Schepers for being a futurist, for looking to the future and giving us some hope and some vision. I really don't have any questions.

Mr. John Schepers: Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

MARGARET MCGUIRE

The Chair (Mr. Pat Hoy): Now I call on Margaret McGuire to come forward, please. Anywhere at all there.

Ms. Margaret McGuire: I'm sorry, they're making our copies.

The Chair (Mr. Pat Hoy): Let me advise you that you have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard. You may begin.

Ms. Margaret McGuire: My name is Magee McGuire, and I am addressing the members of this standing committee and listeners in the gallery.

I have a three-part request wherein each part works in tandem with the other. Really and truly, I think my request is a long stretch because it is not about cement and blasting. It is about infrastructure needed for health care programs already in existence which have been provincially approved and are not yet meeting our community standards for service. I hope you will listen and understand that the funds I request of this committee would accelerate the advantage to the providers, the patients and the community at large. It would also create a better flow of service because of the mutual interfaces of those services.

I do not carry company credentials and I have not brought a peer-reviewed article to defend my claim. I can only claim that I am a very experienced health care worker in health care delivery and public advocacy, which is supported by my education and current studies in leadership management in health care at McMaster University. I've raised three children, and as a registered nurse I have worked in the field for 36 years, including community and hospital front-line work in a large number of specialized areas.

As an advocate through the Ontario Health Coalition, I am constantly hearing stories about the process of delivery here in Guelph and continue to be a resource for information or problem solving. Along with my colleagues, the coalition constantly provides this community

with information to allow the public to navigate and evaluate the system. I sit on a community-of-interest committee for the LHIN 3. I have been a volunteer for hospice and palliative and grief work since its inception, and I am often referring my clients to it. All of the people I meet through these focused centres send clear messages of what they, the public, deem necessary to fulfill the mission of health delivery in Guelph and Wellington and make it a better, safer and healthier place to live. I therefore make my request on their behalf, as a citizen of this community.

My total request is for \$1,550,000, to be allocated to three existing health services that interface one another. Any funding to any of these components will enhance the continuity of care. I've broken it down to three parts.

The first part: \$500,000 in immediate funding toward the delayed completion of the mental health unit in the emergency department of Guelph General Hospital.

Background and rationale: In the 1990s, our acute hospital services were amalgamated to one site at Guelph General Hospital. As a result, all emergent and necessary services arrive at the emergency department at that hospital. Over a year ago, the general public was made aware of an issue of safety that was heavily flagged with the Ministry of Health. Our city has a hospital dedicated to mental health, but it had become inadequate to meet the needs of mental health patients in crisis on the street or the needs of the front-line workers to provide safety for themselves and other patients in the ER environment.

With deep gratitude to the ministry, I was happy to see that the provincial government quickly approved the creation of a special four-bed area assigned to assessment and observation of these patients by qualified providers so that they would receive appropriate care. This would also mean that the general public and the emergency staff would be in a safer environment. The police would not have to sit with any patient. Nor would it mean that a bed in the intensive care unit would be occupied by an agitated patient who required constant observation, this being a risk management policy. It would also help shorten the wait lines in ER and reduce deadlock.

This request is to reflect an immediate need to complete the construction and the program for this unit. There is already space readiness. A psychologist has begun to provide leadership service there. Staff have been trained to sit with these patients. The program is in limbo. The public is generally satisfied. It believes that this unit is physically established, up and running, because of ministry approval.

The second part is to ask for \$1 million for the building of a hospice palliative unit.

Background and rationale: The hospice began as an answering machine at the Guelph General Hospital in the 1980s. A volunteer co-ordinator collected the messages which were requests for personal support for a dying patient or their family and caregivers at home or in hospital. She interviewed clients along with a trained team of intake volunteers. This program was so helpful that the general public began to increase its demand for

this service and, with financial support of a service club, moved into a temporary residence on Speedvale Avenue. It developed day programs for terminal patients and it increased the number of volunteers. As the need rose, it developed programs and education to support people in grief following the death of a loved one.

1540

Today, the hospice operates from a permanent facility on Kortright Road, thanks to fundraising, and they need to build the inpatient unit in a large space provided for 10 single rooms. The architect has designed the space. It is space-ready. It has qualified staff to coordinate all of the programs, and it is promised an operating budget.

If you fund this, there would be a reduction in the need for end-stage patients to be in hospital, freeing up beds. It would give a place of peace and comfort to the dying and their families. It would be a refuge for those dying alone, and the grief support services are on site. End stages of life would be less catastrophic and continue to have balance in the cycle of life. Without this, our health system will continue to be weighted heavily in providing the adequate care of these special people in an appropriate setting.

The third part is a \$150,000 subsidy to the new family health team.

Background and rationale: The province has recently approved the establishment of a family health team or FHT on Dawson Road. This is historically an advancement in health delivery and is a highly supported model for health care delivery by the Registered Nurses' Association of Ontario. It first and foremost incorporates the principle of prevention and wellness now advocated by the provincial government.

Its goals are established and a strategy is used on site to provide holistic access to services of physicians; nurses in the advanced class, such as nurse practitioners and clinical nurse specialists; nutritionists; and wellness clinics—for example, diabetic clinics and new mom and baby clinics. They are in full operation but their funding is stretched. There are insufficient funds to pay for the number of hours of care that the special class nurses can provide. This is a possible setup for dissatisfaction and failure. I bring this to you confidentially.

Again, the funding for operation is at stake. Without it, the concept remains flawed, not because of delivery but because of undelivered funding. A financial boost to place the funding of the nurses, special class, will gird this special project and allow it to operate more fully. The FHT will gain more confidence because it won't have to cut corners. With more NPs, fewer patients will be without a doctor. Since we have lost several doctors through their passing, retirement or health issues in the last couple of years, this is a critically important issue in Guelph and can be part of the solution.

The community that uses it is pleased and will feel more confident about the services there. The number of visits to outpatient clinics and hospital emergency will reduce. When our clients have adequate education about their health and take responsibility for it, the overall

health of the village and the province would only increase. The operative word here is education, and that takes time and qualification. No one can do this better than a nurse who specializes in this. Like the community health centres, the FHT can unburden the health system with a higher throughput at a lower cost because it is all under one roof.

In summary, all three components included in this request are points of entry to the health care system. None of them require excessive physician services. They all affect the reduction of emergency visits through an educational program and an optimal wellness support. This increases a venue for assessment and recovery outside of the hospital and avoids displacing acute care services.

Each contributes to optimal safety and wellness in our community. The community has always been involved in contributing to health care. As a component of social services, the city council is responsible for social development costs of people disadvantaged by precarious health as well as its social determinants. Regardless, this kind of community support may place an early flag on the services needed by the individual so that we are not reduced to a response in catastrophe only. In-time care and support balance the optimal wellness of this city, and this is, without doubt, a part of the vision for the city of Guelph.

If this request is found to be inappropriate for your venue, I implore you to bring this immediately to the attention of the funding operator and work in partnership with him or her to prioritize this today. I respectfully submit this.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mrs. Liz Sandals: Thank you very much, Magee. Given that we obviously share a community, those are very helpful suggestions.

Can I just inquire: On the Guelph General Hospital, are you just trying to confirm that the funding that was allocated is, in fact, there, or are you suggesting additional funding from what was allocated?

Ms. Margaret McGuire: My understanding is that the funding was approved, and that it went to the operator and it has not yet come through.

Mrs. Liz Sandals: Okay. I'm not sure what we're doing. I think we're going back and forth or in circles, maybe, on the funding. But in terms of that particular project, maybe just for the record to update people, the final submissions from the hospital's architect are just being made to the capital branch at the Ministry of Health. There's some discussion in terms of getting that approval process, but I'm surprised that it has taken this long to get the capital submissions made. I think they've redrawn the plans somewhere along the road and they're in the process of getting that finalized. But the project is inching forward.

Ms. Margaret McGuire: I think if you were in emergency working and being smacked around by these patients and saw the terror of the patients who were

sitting there, you would realize that this was a 2006 decision and here we are in 2008—it's not acceptable.

Mrs. Liz Sandals: Yes. What I'm telling you is that the capital branch at the ministry is waiting for all the final submissions to be made by the hospital. So once they have been received—and I understand that they will be received very shortly, if not submitted this week—then that can go forward for the final approval of the detailed plans. I would agree that the process has been very much slower than I would have anticipated, and it seems to have involved the redrawing of the plans.

In terms of the hospice, you're absolutely right that the fundraising has been going very well and that they are now in a position to approach the province for capital support. Hospice is something that I don't think there really had been any capital budget for; in fact, there still isn't a capital line. But based on the priorities given by the Ontario hospice association, we did make some funding available a year or so ago. The Ontario hospice association at that point didn't submit the Guelph hospice for funding. But I understand that, because their fundraising has been going well, in their next submission the Ontario hospice association will be recommending that the Guelph project be one that would be funded.

Ms. Margaret McGuire: It's my understanding that it's dollar funding for dollar raised.

Mrs. Liz Sandals: And the local folks have gotten to the point where they've raised their share.

Ms. Margaret McGuire: And a core amount of money to boost that would help them with their dollar raised to get their dollar funding.

Mrs. Liz Sandals: But they are at the point where they can go ahead and apply now because they have done a significant amount of local fundraising.

The final request that you're making—because the capital ones are one-off locals—is the funding for the family health team. I think what I hear you say—so, for the benefit of the rest of the committee, tell me if I'm hearing you right—is that when we fund family health teams it would be helpful if there was perhaps more funding for the non-doctor practitioners, for the nurse practitioners, so that they could take on a larger share of the work. From a provincial policy perspective, is that what you're suggesting?

Ms. Margaret McGuire: Yes. I'm wondering if there needs to be communication with them because I think any funding they get is global, and if it's insufficient, say, to cover salaries for NPs, then there's a stretch there. So there may be more than one mechanism required in communication with them, but it has been extremely frustrating for some of us.

Mrs. Liz Sandals: I think, of your three requests, that's the one that's—the others are uniquely local. This is the one which I think is perhaps provincial policy. So it would be to look at additional funding, for nurse practitioners—

Ms. Margaret McGuire: Specifically to other than physicians.

Mrs. Liz Sandals: Exactly. So the nurse practitioners, the social workers, the dietitians that are part of the team.

Ms. Margaret McGuire: Right.

The Chair (Mr. Pat Hoy): Thank you for your submission. We are adjourned.

The committee adjourned at 1549.

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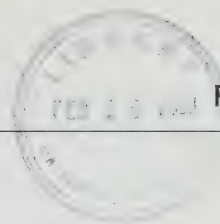
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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 31 January 2008

Journal des débats (Hansard)

Jeudi 31 janvier 2008

**Standing committee on
finance and economic affairs**

**Comité permanent des finances
et des affaires économiques**

Pre-budget consultations

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 31 January 2008

Jeudi 31 janvier 2008

The committee met at 0902 in Bristol Room C, Four Points Sheraton Hotel, London.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Pat Hoy): Good morning. The standing committee on finance and economic affairs will now come to order. We're pleased to be in London today.

CITY OF LONDON

The Chair (Mr. Pat Hoy): I'll call on the city of London, our first presentation of the morning. Good morning, gentlemen. You have 10 minutes available for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard. You can begin.

Mr. Tom Gosnell: Tom Gosnell, deputy mayor of London.

Mr. Grant Hopcroft: Grant Hopcroft, director of intergovernmental and community liaison for the city of London.

Mr. Tom Gosnell: Thank you, Mr. Chair, for the opportunity to speak to the committee on the Ontario pre-budget. At our 2007 pre-budget submission on January 29, a year ago, we brought three major points that we wanted to leave with the ministry and city government. Again today we want to emphasize these points in the hope of continuing to partner with the provincial government towards building a strong and financially vibrant and healthy Ontario.

There are a number of comments that speak to all of the issues that are in the presentation that we'll leave with you, so I'll just touch on a few of the highlights. First, we would like to thank you for the changes your government has made in recognizing and moving towards a new deal for municipalities, such as the announcement by the Premier of the provincial-municipal fiscal and service delivery review. That's right at the heart of what we're attempting in this presentation, as you will hear with other municipalities, to change the financial relationship between the province and municipalities. The uploading of the ODB—Ontario drug benefit—program and the Ontario disability support program over four years to 2011 is significantly a benefit to municipalities and we thank you for that.

There are a number of other areas that we've laid out, especially the announcement of the new municipal infrastructure investment initiative. Those are very important for the community and they certainly enjoy the support of not only the city but municipalities across the province.

Yesterday you had a presentation from AMO, which we certainly stand behind. It's a well-written, very explanatory brief. I'd just like to reinforce that the city, along with AMO, believes there is a shared understanding that the current state of municipal finance does not provide municipal governments with the necessary resources for their immediate responsibilities or those of the future. That is certainly an ongoing issue; it's been with us for a long time. We are pleased with the seriousness with which the provincial government has addressed this issue and we look forward to working with you to try to level the playing field a bit more.

We need, as the cities and the province, to work collaboratively to fix immediate issues that have a huge financial impact on municipalities that can be fixed at little or no cost to the province. We call this "Stop the bleeding." This includes placing a moratorium on regulations that ultimately affect municipal costs and revenues.

When we look at the long-term issues to ultimately fix the problem, funding income redistribution and other soft services from non-regressive tax sources are very important. In 2007, London property taxpayers paid an estimated \$77.5 million, or almost 20% of our property tax levy, to support provincial social programs such as public health, social services and land ambulance. Allow Ontario municipalities to be competitive, while allowing Ontarians to enjoy accessible social, health and safety services and equitable access to the investment of provincial resources in our communities.

We need, as I mentioned, to place a moratorium on legislation, regulations and standards that drive up municipal costs. One example is our long-term-care facility, Dearness Home. Our costs have risen from 17% to 22%, and for municipalities, it's a very unsustainable amount over a period of time.

The Ontario municipal partnership fund: We welcome the 2008 OMPF allocations that will remain unchanged from 2007. The status of this funding, in light of the uploading of ODB and ODSP by 2011 and further recommendations arising from the provincial-municipal fiscal and service delivery review, is of concern to the city of

London. A new formula that continues to address the remainder of the \$3.9-billion provincial-municipal fiscal gap is required.

One of the issues we've identified that we would appreciate some assistance with is the appointment of additional justices of the peace and court security costs. In London, court security costs are \$1.8 million a year now on the municipal budget. That really is a function, we believe, of the provincial government.

Social housing and rent revenues: We've included in our presentation a graph to show what the impact has been. The rents have been frozen for a period of time. All new increases in costs are borne by the municipal government, and we're hoping that we'll have further discussions that will bring that back in line. Certainly, we believe it's a program that should be uploaded to the province. It's not really something that should be a property tax commitment.

In the long term, we have to fix the problem. Property taxes in Ontario are the highest in Canada. To maximize service delivery as effectively and efficiently as possible and to maintain competitiveness nationally and internationally, we will need to look at not only who does what but who funds what. The city of London supports efforts to resolve the fiscal imbalance identified by AMO and the provincial-municipal fiscal and service delivery review that is now under way. The following table that we've included shows that property taxes in Ontario are simply the highest in the country. An average homeowner on a comparable property valuation across the country—we're at \$3,300; Alberta is \$2,100 and British Columbia is under \$2,000. So the impact to the competitiveness and the strength and longevity of services in municipalities in Ontario is very much threatened.

0910

I'm getting close to the end of my 10 minutes here. There are a number of other initiatives that we would look forward to working with the provincial government on. We are grateful for the changes that have been made and the transfer payments that we've received in the last number of years. We are definitely moving in the right way and we would like to thank you for that. We look forward to working with you. There's no question that all of you as members understand that the strength of our economy in Canada really depends on strong municipalities. Anything we can do with you to address that issue and to have the type of transfer payments or the uploading of services that allows us to remain competitive and strong will be to the benefit of all of us, not just the provincial government but all the citizens of the province.

We look forward to continuing discussions. If there are any questions, I'm certainly prepared to take them now. Thank you for the opportunity to present.

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning goes to the official opposition.

Mr. Toby Barrett: Thank you, city of London, for your presentation to the government. This side is not

government; we're opposition. You have quite an extensive brief, so I have not had time to read all of the brief. As you've mentioned, property taxes in Ontario are the highest of anywhere in Canada. Historically, property taxes paid for services provided to property. I wonder if you could give us some direction. You make mention that it's now time for all three levels of government to embrace a "Who pays for what" review. It wasn't that long ago that \$3 billion of education costs were removed from municipal revenue. I don't expect municipalities want to go down that road again or see that kind of realignment. You're probably talking more of additional uploading to senior levels of government. What are some of the priorities that you would like to see, perhaps not only for the city of London but for municipalities across the province?

Mr. Tom Gosnell: In a broad statement, there was an article—Edmonton does a study every year to compare themselves to the cost of local taxes across the country. London was one of the top four highest taxes across the country. In Alberta, all the social costs are borne by the provincial government; it is not put on the property tax base. When you take that into consideration, Edmonton, which was in the middle of the pack, actually was \$600. We're significantly higher than municipalities in Ontario. So it's the principle of how property taxes should be applied. When social services or, as I mentioned earlier, court costs are applied to the property tax, it's very much an inequitable situation. The wrong tax base is being used to provide those services. If that could be addressed, that solves a significant part of our problem.

Mr. Toby Barrett: So London is one of the highest tax jurisdictions in Ontario?

Mr. Tom Gosnell: We're in about the middle of the pack in Ontario. They just compared certain cities. As an aggregate, Ontario has the highest-taxed municipalities in the country.

Mr. Toby Barrett: You make mention of the need for new funding sources at the local level. You say these are vital to continue on. I assume you're referring to additional municipal taxes, or what kind of funding sources are you referring to? You're looking at Toronto. I mean, we have a new land transfer tax in the city of Toronto.

Mr. Grant H: We found that programs such as the provincial and federal gas tax have worked very well in terms of addressing capacity issues at the local level. We're very concerned about creating a patchwork of taxes in every municipality across the province and what that does to our competitiveness as a province, as a country and as individual municipalities. The transfer payments work well when they're based on need, and population is a good proxy for need. It has a fairness to it. For example, the gas tax programs for transit in Ontario, the federal gas tax programs that are distributed on a per capita basis, are very helpful to us. There's a fairness to it. You can plan for it. To the extent that you can plan for it on a multi-year basis, you can invest the money more wisely.

While we welcome programs such as the MIII when they're one-year programs, if you don't have projects that are construction-ready in that particular year, you may have to go with a lower-priority project than you might have otherwise, because you haven't got your environmental assessments complete or you may have an outstanding OMB appeal and so on. Actually, we feel we have a very good submission that will be going forward that will, we think, generate a lot of economic prosperity for London and for the province of Ontario, but we don't know we have the money yet. It's an application; it's a competitive program. We're sure you're going to get a lot of good applications from right across the province, and there will be some that won't make it. That doesn't mean they're not important, but there will be a limited amount of money, and to the extent that everyone has a share they can count on, they can plan better.

Mr. Tom Gosnell: Back to the infrastructure issue, if social costs are borne by the province, such as in Alberta, and the revenues are available to municipalities, then we stick to our knitting, which is infrastructure. That means we invest in some of the programs Grant just mentioned. We get our services, roads, sewers and water systems up so we can attract and be a competitive industry. That certainly helps the city, but it has a profound impact on the tax base of the province. So we can stick to our knitting, and that's to grow and build the economy. But we don't for one minute discount the importance of social programs and some of the costs that have to be borne, but it should be on a different tax base. Let us help you create that tax base so we can all afford it.

The Chair (Mr. Pat Hoy): Thank you for your submission.

LONDON HEALTH SCIENCES CENTRE

ST. JOSEPH'S HEALTH CARE

The Chair (Mr. Pat Hoy): Now I call on the London Health Sciences Centre and St. Joseph's Health Care, London, to come forward, please. While you're getting ready there, I'll remind you that you have 10 minutes for your presentation. There could be up to five minutes of questioning. I would ask you to identify yourselves once we get started so that Hansard can record you as speakers.

Mr. Cliff Nordal: Good morning. My name is Cliff Nordal. I'm the president and chief executive officer of London Health Sciences and St. Joseph's Health Care. On my left is Ken Deane, who is the shared chief operating officer for both hospitals.

LHSC and St. Joseph's are in fact two separate corporations governed by two distinct boards, but have created the most integrated hospital system in Ontario. The two hospitals share the same chief executive officer and a number of other senior management staff. We have an integrated medical staff with common bylaws, rules and regulations that govern the medical staff. This model has allowed the hospitals to pursue common systems, pur-

chasing and logistics solutions, shared administrative functions and other efficiencies. I believe that there's no other hospital in Ontario that's achieved this level of provider collaboration and network development. We share the same unique ethos and culture that the original organizations had before us.

There are two issues that I want to talk about. One is to raise your awareness about the value and accountability of our hospitals in this region's health system, and also to table a few of the current challenges that require some concerted effort going forward.

London Health Sciences has been at the forefront of medicine since 1875, and offers the broadest range of specialized services in hospitals in Ontario and possibly in Canada. LHSC includes at its various sites the children's hospital, South Street Hospital, University Hospital, Victoria Hospital, the London regional cancer centre and two family medical centres. We have 846 beds and 20 bassinets. Our service is to more than a million patients over the course of the year, and we have over 10,000 staff, physicians and volunteers. We are a leader in many areas, including robotic surgery, cardiac care, clinical neurosciences, multi-organ transplant, clinical care and trauma, orthopaedics, and sports medicine. As a leader in medical discovery, LHSC attracts top clinicians and researchers from around the world. We have 16 world firsts and 22 Canadian or North American firsts.

St. Joseph's Health Care was created from an amalgamation of several hospitals and a long-term-care facility, with a history stretching back to 1869 and 1894. We're a Catholic hospital rooted in the spirit of the Sisters of St. Joseph. We're one of the province's most unique hospitals, with a wide variety of roles and programs relating to acute and ambulatory care, specialized geriatric, complex and long-term care, rehabilitation, and specialized mental health. In fact, our hospitals work in teams from Windsor right through to Waterloo.

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St. Joseph's has celebrated over 20 world and North American firsts itself, including the first use of the natural surfactant drug as replacement therapy for babies with immature lungs, and we were the first site for a Canadian MRI.

We're academic hospitals. We have students from over 70 educational institutions across Canada. We're the primary teaching hospitals for the Schulich School of Medicine here at Western.

Integral to our academic missions is the Lawson Health Research Institute, which is the joint research arm of both hospitals. That organization receives over \$50 million in research funding each year, spanning the full continuum of human life.

As you can see, St. Joseph's and LHSC have long and proud histories, and we continue to be two leading hospitals in the transformation of health care. It has now been a decade since the HSRG, the Health Services Restructuring Commission, came to town and really changed the landscape in Ontario. The only hospitals that would remain are now LHSC and St. Joseph's, each of us

assuming distinct roles with complementary missions. In that regard, the commission suggested that we needed to renew our facilities, including the closure of LHSC's South Street Hospital. For St. Joe's, the commission has directed that St. Joseph's assume the responsibility for Parkwood and for two mental health facilities that are in our region.

London Health Sciences' next major milestone in construction is the completion of 600,000 square feet of shelled-in space in the building you can see on the screen, including 100,000 square feet of renovations. At St. Joseph's, the transformation of the hospital includes a number of construction projects, including a new building to house our surgical and diagnostic imaging area. We are now on a new project to enable about 81,000 square feet of existing space to be renovated, including providing a home for the famous Ivey Eye Institute.

We are now in the process of re-engaging stakeholders to build two brand new mental health facilities slated to be opened in 2013, including a forensic facility at a location near St. Thomas and a new, specialized program at the Parkwood site here in London.

I want to now focus on three things that are of interest to health care in general and ask Ken Deane to speak to them. First of all, there are operational efficiencies in our continuum of care; second is improved access to care; and third is patient safety. Ken, please.

Mr. Ken Deane: Thank you, Cliff, and good morning to everybody. It's a pleasure to be here.

At London Health Sciences and St. Joseph's Health Care, we connect with people at very important and poignant times in their lives: birth, illness, trauma and death. People count on us to deliver high-quality and compassionate care, but they also expect us to be effective stewards of the resources entrusted to us by the taxpayers of Ontario. To this end, we are constantly comparing our actual costs to benchmark efficiency levels. Our shared goal is to achieve top-quartile performance in all our programs while upholding our quality, safety and academic responsibilities.

For many patients we are the places of last resort, providing highly specialized and complex care. The aging population and advances in the treatment of chronic diseases or conditions that were once life-threatening have increased the complexity and size of our patient caseloads.

As academic health sciences centres, we are among the first to employ advances in medicine through breakthrough therapies and technologies. New modes of treatment make medical care better and safer for patients. However, as all of us appreciate, these applications can be more expensive.

Going forward, we will continue to focus on being as efficient as possible while providing high-quality and compassionate care to our patients. We are fostering a performance-based culture in which we measure performance, address sub-optimal performance and continuously improve what we're doing and the way in which we're doing it.

We're pleased with the significant progress that is made through the joint efforts of our staff, physicians and the government to improve access to care through Ontario's wait times strategy. In fact, Ontario has been the most progressive and successful jurisdiction in improving access to care.

Notwithstanding this progress, the single greatest impediment to access lies in the number of patients waiting for care in another part of our health care system. This is not a London-only problem. As reported by the Ontario Hospital Association, access to care is a systemic issue. At London Health Sciences, we are particularly challenged by the large number of patients who are occupying acute care beds while waiting for an alternative level of care. In fact, this morning, as of 7 o'clock, there were 86 alternate-level-of-care patients waiting in acute care beds within the London hospital centre. These patients have received care in the hospital and are now waiting to be discharged and transferred to another setting—nursing home, rehabilitation centre, home care or assisted housing—where they can receive care that is actually more appropriate for their needs. We support the government's plan to add long-term-care beds.

We recognize the need for systemic solutions, but we also recognize our responsibility to operate as efficiently and effectively as possible. We are working intensely to deal with the situation, both internally and with our local health system partners. The Ministry of Health and Long-Term Care selected the London Health Sciences Centre as the first demonstration project outside of Toronto for a patient access and flow project. The goal of this project is to reduce the incidence of patients boarding in the emergency department, reducing the incidence of surgical cancellations, and reducing in-patient occupancy levels by improving our internal processes and systems. We are currently assessing the cost-benefit of establishing a transitional care unit. This unit would be for alternative-level-of-care patients who meet specific criteria and, after a two- to four-week period, would be discharged home. This initiative will free up acute care beds.

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Mr. Ken Deane: Moving right along, then. We're working on access.

In terms of safety, we believe that each patient has the right to expect quality care, a safe patient care experience, and the right to know how effectively we're delivering our quality and safe care. We're committed to public accountability and transparency, and we welcome the public release of hospital standardized mortality ratios as well as other reporting requirements.

Mr. Cliff Nordan: There are three things we'd like you to consider. The first is to support more investment in the home, community and hospital alternative levels of care so that we do not have to care for patients we've already dealt with and could go elsewhere. Second, we encourage significant investment in information technology and systems. Third, we seek investment in legis-

lated patient safety issues, which are important but are coming to us without adequate support.

The Chair (Mr. Pat Hoy): Thank you very much for the presentation. The questioning will go to the NDP.

Mr. Michael Prue: Just on the last three points, it appears to me, and correct me if I'm wrong, but legislated patient safety wouldn't really have much to do with the finance committee. Would I be right in that? That's more with the health minister.

Mr. Cliff Nordal: Certainly the legislation of safety initiatives would be, but these are coming to us largely without any supportive funding, so we believe that the Ministry of Finance and the government as a whole needs to think about added investment as these legislative changes are being made.

Mr. Michael Prue: For these three initiatives, how much are you looking for, first of all for the London Health Sciences Centre and overall for the hospitals of Ontario? How much do you think is necessary?

Mr. Cliff Nordal: We think that the ministry itself has brought forward estimates, just using information technology alone, that are probably in the several billions of dollars over the course of a number of years. In fact, one of the greatest patient safety issues is this: doctors who are writing health records with pen and pencil that then must be transferred from one provider to the other. Errors are created, we can't find the records, and over and above that, it's very difficult to monitor performance of individuals when things are in paper charts in our hospitals. Significant investment is needed.

Mr. Michael Prue: But could you give us a number?

Mr. Cliff Nordal: We think the number is probably in the magnitude, over a four-year period, of about \$5 billion.

Mr. Michael Prue: So, in this fiscal year, you're looking for about—

Mr. Cliff Nordal: No, we're looking for a phased-in approach. I believe the Ministry of Health is making a presentation to finance that has the phasing. I don't have their numbers, but I think it's probably going to ramp up a few hundred million over a course of time and then probably build up.

Mr. Michael Prue: So you would generally support—

Mr. Cliff Nordal: Very supportive of that.

Mr. Michael Prue: Okay. You talked about investment alternatives. Could you expand a little bit? I need to understand that better.

Mr. Cliff Nordal: Yes. There are investments being made in an aging-at-home process, in adding long-term-care beds, and in generally providing other community-based supports in mental health and a variety of other areas. We think these investments are inadequate, and in fact, long-term-care beds are coming on very slowly. We have about 1,500 people in the London-Middlesex area waiting for a long-term-care bed right now, and by 2010 we'll have added approximately 600 new beds, so we clearly see that the investment in this area is inadequate.

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Mr. Michael Prue: And by investing in this other area, this will free up hospital resources, obviously.

Mr. Cliff Nordal: Yes. None of the patients Ken alluded to—the 80 to 90 who are in our hospitals every day—really need to be there. That would free up capacity to take patients who are waiting in the ER department, not just overnight but sometimes days, for a bed.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

SIX NATIONS OF THE GRAND RIVER

The Chair (Mr. Pat Hoy): Now I call on Six Nations of the Grand River to come forward, please. You have up to 10 minutes for your presentation. There could be five minutes of questioning. I would just ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Wray Maracle: Wray Maracle, district 4 councillor for Six Nations.

Chief William Montour: William Montour, elected chief.

Ms. Claudine VanEvery-Albert: Claudine VanEvery-Albert, district 1 councillor, Six Nations.

The Chair (Mr. Pat Hoy): You can begin.

Chief William Montour: As I said, my name is William—Bill is what everybody calls me—Montour, elected chief of Grand River, and these are our two councillors. I want to start by giving some background on Six Nations.

Six Nations of the Grand River community has 22,480 registered citizens. Approximately 12,000 people live on the territory. However, most return for the basket of services as they deem necessary. The reasons for their living off the territory are usually lack of housing, employment and education.

The annual population growth rate of Six Nations has historically been 2.5%. The majority of our residents are under the age of 30.

Our annual operating budget hovers around \$70 million per fiscal year.

Contrary to popular belief, our community members contribute more dollars to the federal-provincial tax base than our yearly operating budget.

Several community studies completed by Six Nations indicate that the social well-being and health status of our residents is two to three times poorer than that of the national average in all categories of measurement.

The current trends: Six Nations is encouraged by recent statements by the Premier of Ontario. He expressed a willingness to work on better relations with First Nations and aboriginal communities in Ontario. He stated that he is willing to raise the bar to improve the well-being of aboriginal people in Ontario by bringing improved services to our people. The Six Nations elected government recognizes the positive initiatives already in place, such as the aboriginal healing and wellness strategy, commonly known as AHWS. These AHWS projects have greatly improved the well-being of First

Nations people in Ontario and at Six Nations. These statements and recent efforts are congruent with the goals of Six Nations of the Grand River as we strive to build a happy, healthy, safe and sustainable community.

Therefore, and without prejudice, on behalf of the Six Nations of the Grand River, I present the following urgent requests to be considered by the standing committee on finance and economic affairs as you prepare for the upcoming Ontario 2008-09 budget.

Environment and infrastructure:

For our water treatment system, we require 40 litres per second—we presently have 12. We need a waste water treatment study to look at new technologies for waste water, as we're up against the wall there. We need a pilot project to deal with some new technologies to take care of the burgeoning solid waste problem we have.

We require 1,600 housing units immediately.

We have to have a correction of our road safety issues because our road safety program has seriously deteriorated over the years.

We need a communication network infrastructure. I draw your attention to the Rural Connections program that Ontario had last year. That bypassed our communities.

Emergency protection services:

We require adequate funding for a fully functional fire department. We need training dollars for our paramedics. We'd like to move our emergency measures service to an advanced level. More importantly, we want to establish pay equity with surrounding services. We need annual funding to employ an emergency measures coordinator and disaster plan update.

We would like to have a study with Ontario to establish a Six Nations justice system.

In education, we want equity funding per student comparable to the rest of Ontario. We're looking for a feasibility study to create a Six Nations high school that focuses on language and culture.

In social services, a Best Start and Early Years program for Six Nations children is badly needed.

For Ontario Works equity funding, Six Nations has been offered an administrative cost of \$1,400 per case. In our due diligence, it appears that the average in Ontario is \$2,300 a case. We can't operate without going into a deficit.

We want to look at the development of a Six Nations child care agency.

In health services, primary care services are not funded by First Nations and Inuit Health. We require mental health and addictions funding, which we request to become a community transfer payment. Currently, funds are funnelled through an external agency with limited funding allocated to the Six Nations. We need funding for drug abuse treatment strategies such as harm reduction, detoxification, inpatient treatment and daycare rehabilitation. We require an urgent decision from Ontario on the funding model for the family health team physicians.

We're looking for an increase in long-term-care beds, as we usually have a wait-list between 25 to 75 at any one time, and we're looking for a fast-tracking of the dialysis project, both in capital and operations. We don't know where it's gone. It was almost at the point of being put together, but now—

Next steps: The Six Nations of the Grand River elected government requests the opportunity to meet with the various ministries at your earliest convenience to discuss these urgent needs in detail.

You're going to be wondering why I'm bringing this, because a lot of it could be federal. It's always been my stance that we want to be interdependent, not dependent or independent. I think Ontario can be a great partner with us to go and bring more federal dollars where the federal responsibility is, because we're not going to spend it in Manitoba or Quebec; we're going to spend it in Ontario.

Thank you, Mr. Chairman, for the privilege and the opportunity to make this presentation.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government.

Mrs. Maria Van Bommel: Thank you for your presentation. I'm especially interested in the area you're speaking of in social services. You're talking about the Best Start and Early Years programs. Do you have access at all, in any way, to those types of programs right now?

Chief William Montour: Not at present.

Mrs. Maria Van Bommel: So do you not go off-reserve to find those at all? No, you can't get that?

Chief William Montour: Because of the size of our community, it's very hard for families to do that. We have over 140 kilometres of roadway to go to Brantford or Hamilton or Simcoe. It's at great expense to people who are mostly on limited incomes or really no incomes.

Mrs. Maria Van Bommel: You talk about the development of a Six Nations child care agency. What do parents do currently when they need child care?

Chief William Montour: I'm talking about a children's aid society. We had started this in my previous tenure as chief, from 1985-91, to look at creating the Six Nations child care agency, because our services are delivered out of Brantford. They have a native program, as they call it, but it doesn't address the needs as we see, like the extended family concept. A lot of people off-reserve don't understand that our extended family concept is much bigger than the non-native idea, the nuclear family type.

Mrs. Maria Van Bommel: I have First Nations bands in my riding and I know they share the same thing. They want to do much the same in their First Nations bands as well with their children: to keep them within the extended families that they have there. So in terms of the Early Years, what are you doing now? Have you got anything at all?

Chief William Montour: We've got some that we've pulled out of the federal funding, but it's not really direct funding. We've been using surpluses and stuff like that for helping our moms effectively, teen rap sessions where

they can talk to people and stuff like that. We really need a chance for our very young people to get that extra push to become better citizens as they grow up.

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Mrs. Maria Van Bommel: Do you have any type of parenting courses or support for young parents?

Chief William Montour: Yes, we do.

Mrs. Maria Van Bommel: What do you do currently?

Chief William Montour: Well, as I said, it's very limited, but we have our helping our moms effectively—which means that we help young mothers develop their mothering skills and stuff like that, because we do have a lot of teenage pregnancies. It's becoming a real issue that we've got to get our heads around and get the proper education to the people.

Mrs. Maria Van Bommel: So how much in dollars do you think you're going to need to do that kind of thing?

Chief William Montour: We didn't go specifically into dollars because I know we're crossing boundaries between the federal and provincial here, and that's why we requested a meeting with the ministries. I'd like to do the plan first and then put the dollars to that. As a new council, we've only been in office for a little over a month now. We want to do these visioning sessions, and we thought we would come here and give you our idea of where we want to go to build this community that we envision as being healthy, safe and sustainable.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

COMMUNITY LIVING TILLSONBURG

The Chair (Mr. Pat Hoy): Now I call on Community Living Tillsonburg to come forward, please. Good morning, gentlemen. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would just ask you to identify yourselves for the purposes of Hansard.

Mr. Doug Cooper: Good morning. Thank you. My name is Doug Cooper. I'm on the board of directors of Community Living Ontario, representing the southwest region. Also presenting with me is Marty Graf, executive director for Community Living Tillsonburg. We would like to thank the committee for this opportunity to bring to you some of the critical needs facing community organizations that provide supports and services to people who have an intellectual disability.

The 2007 provincial budget committed \$200 million over four years for developmental services, starting with \$62 million in the first year. While this was a good start, intended to begin stabilizing the sector and begin addressing wage gap issues, the additional funding did not go far enough toward resolving the immediate pressures on individuals and families waiting for supports and services. The difference between the budget request and the funding allocated, combined with the costly resolution of local labour disputes this past summer, has exacerbated

the pressure on an already financially strained sector. To resolve these ongoing pressures, we believe the government must address these three critical needs of the sector.

Many people living with an intellectual disability are living in an ever-increasing state of poverty as a result of the failure of ODSP to maintain adequate levels of income support. A single person on ODSP can receive a maximum benefit of \$999 per month, or approximately \$12,000 per year to live on. Notwithstanding the government's recent ODSP payment increases, many Ontarians with an intellectual disability live in poverty because ODSP benefits remain more than 18% below 1993 levels when compared with inflation. With this income they must cover all expenses, including shelter, food, clothing, transportation and household items. A commitment to reducing poverty for Ontarians with an intellectual disability must start with a substantial increase in the income support provided through ODSP.

We ask that you consider increasing payments under the Ontario disability support plan to reflect the real cost of living in Ontario, with a guarantee of annual adjustments aimed at keeping pace with changes in the cost of living as one element of the government's poverty reduction strategy. An independent committee using rational and just criteria should be established to advise the government on where to set ODSP benefit rates.

There are approximately 120,000 Ontarians with an intellectual disability. As a consequence of their permanent intellectual limitations, people with an intellectual disability require varying degrees of support throughout their lives. Such support will vary from person to person but can be required for such basic needs as bathing, dressing, preparing meals, using public transportation or even the telephone. Approximately 40% of people with a disability have multiple disabilities and may require behavioural supports or support for other complex care needs that often require 24-hour assistance.

Many families across the province are waiting five years or more for 24-hour residential services. There is a growing waiting list for access to supports and services in Ontario. Based on 2006 census data, there are approximately 13,400 Ontarians waiting for residential services, day supports and other supports and services, including respite services for families. Throughout the province, 5,047 individuals are waiting for residential services, 3,018 for day supports and 5,337 individuals for other services and supports. We also ask that the government commit \$325 million over four years to reduce the waiting list of these 13,400 Ontarians who are waiting for residential services, day supports and other supports and services, including respite services for families.

While the government is moving toward greater collaboration and integration in the delivery of services to Ontarians, there is a long way to go. Individuals with an intellectual disability must deal with several ministries throughout the course of their lives, including Children and Youth Services, Community and Social Services, Education and Health and Long-Term Care. A strategy that would ensure greater continuity and consistency of

services through an individual's life and coordinate the roles of various ministries would assist in reducing gaps in supports and services and enhance the lives of Ontarians with an intellectual disability and their families. We believe it is time for a comprehensive, long-term policy and funding framework for developmental services to address the needs of a transformed system and create a sustainable financial model. This new approach would provide enhanced access to a broader range of community services for individuals with an intellectual disability, improve choice and flexibility for families and address the sector's human resource challenges through a comprehensive human resource strategy. We ask that the government develop a comprehensive long-term policy and funding framework to safeguard the sector's sustainability, guide its long-term development and ensure that all Ontarians with an intellectual disability have access to the supports and services they need.

We thank the committee for its time today and we look forward to its support in the transformation of the developmental services sector. In order to achieve this and resolve the ongoing pressures, the government must:

- increase payments under the Ontario disability support program to reflect the real cost of living in Ontario and guarantee annual adjustments. An independent committee should be established to advise the government on where to set ODSP benefit rates;

- commit \$325 million over four years to reduce the waiting list of 13,400 Ontarians who are waiting for supports and services of all kinds; and

- develop a comprehensive long-term policy and funding framework to safeguard the sector's sustainability, guide its long-term development and ensure that all Ontarians with an intellectual disability have access to the supports and services they need.

Mr. Marty Graf: To bring it home a bit, to share with you the waiting lists in our community, Community Living Tillsonburg works collaboratively with other like agencies in establishing waiting lists for service delivery. These wait-lists are managed by the Community Services Coordination Network. Currently, the wait-list for Oxford county has 41 individuals who are waiting for group living, with nine individuals requiring services immediately. There are 10 individuals requiring supported independent living services, with three individuals requiring services immediately. Those kinds of waiting lists are in all of our communities throughout Ontario.

The labour disruption this summer: Community Living Tillsonburg experienced its first labour disruption in its 54-year history. It was a painful experience for those individuals who had their homes picketed. The multi-year funding announced by the Ministry of Community and Social Services in last year's budget has brought about a level of stability that should help over the next few years.

Community Living Tillsonburg is also a service provider of child care, early learning, resource supports to children with special needs and their families. Several hundred families were affected by the strike. Our

supports to children and families through funding by Oxford county and the Ministry of Children and Youth Services needs a similar multi-year approach.

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In regard to Family Day, our agency was founded by families over 54 years ago. We have been involved in supporting children with special needs and their families throughout our history. We provide the supports and services which help keep families healthy. We look forward to the first celebration of Family Day and we ask the government to recognize the important role that agencies like ours play in supporting families. Through your budget deliberations, you need to ensure that our sectors can remain vibrant and healthy. Families rely on us to help them remain healthy.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the official opposition.

Mr. Toby Barrett: Thank you, Doug and Marty, for speaking up for people who sometimes may have difficulty presenting the case to government, and thanks for speaking on behalf of Community Living Tillsonburg. I still think of you as TACL. I worked with TACL, I think it was 12 years ago. Pay equity was the issue. You talk about wages. I don't know whether that's been resolved yet or not.

Mr. Marty Graf: We now have a solution in hand as a result of the funding that has come through this past year.

Mr. Toby Barrett: Good. I have another question and Julia has some questions. With respect to ODSP and the \$999 a month, you propose an independent committee to advise government. I think that would be well worth looking at. We may put that forward as a resolution to this finance committee. With respect to the \$999 a month, just very quickly, are there barriers? I do know people who are receiving ODSP have the opportunity to work or to work part-time. I would like to see fewer barriers for people to be able to work or to help out or to volunteer and get remunerated a bit without being overly penalized. Is there anything else we could do to try and streamline that or try to get employers to be even more flexible in working with people?

Mr. Marty Graf: We are a service provider helping individuals with disabilities gain employment. We believe that government should make a strong commitment toward supporting the inclusion of people with disabilities in employment. We believe it's one of the strategies that business, industry and government should consider, due to the fact that there is a labour shortage.

We've seen the success of inclusion of people with disabilities. The difficulty still is the clawback, in terms of earning a certain amount. There's a confusion of, "Yes, go out and get a job, but we're going to reduce the volume." So what happens is, as they earn the monies, they go from the \$12,000 a year to \$13,050 or \$15,000. So it's not a lot of incentive yet to work gainfully. We still need to work on strategies to overcome that.

Mrs. Julia Munro: Thank you for coming today. I just wanted to go back to the beginning of your pres-

entation when you talked about this year's budget that allocated \$200 million. You received \$62 million in this budget year. Is that correct?

Mr. Doug Cooper: That's correct.

Mrs. Julia Munro: My question was whether or not you anticipated that this was primarily for labour negotiations or whether there had been some indication that the allocation would be available to you for other purposes in Community Living.

Mr. Marty Graf: Usually in the past there has been the breakdown of some of the resources going to salary issues and some going toward new services. I believe most of the funds committed under that \$200 million related to the issues of the low salaries in our sector. So it was not targeted in a split as it normally is.

Mrs. Julia Munro: I think that's important for us to understand, because obviously it means that the rest of the issues that are critical are left hanging, if that's the case.

The question, then, that I have: If it was allocation for staffing, would you consider this now to be something that will offer you a further tool in the area of retention of staff? I understand this to be certainly an important issue for you as a sector.

Mr. Marty Graf: Certainly, the government and the developmental sector are recognizing the need for the stability. We think this funding has helped, but it's also going to take work on the sector's part and the government's to come up with a good human resource strategy to continue to stabilize our workforce. Along with that, there is the transformation process that has been under way to try to figure out new and creative ways to provide better services. So I think the combination of those strategies will help us.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO FLUE-CURED TOBACCO GROWERS' MARKETING BOARD

The Chair (Mr. Pat Hoy): Now I call on the Ontario Flue-Cured Tobacco Growers' Marketing Board to come forward, please. You have 10 minutes for your presentation. There could be five minutes of questioning. I'd just ask you to identify yourself for our Hansard recording.

Ms. Linda Vandendriessche: Good morning. Thank you for having me here today. I am Linda Vandendriessche, vice-chair of the Ontario Flue-Cured Tobacco Growers' Marketing Board. Our board represents all of the flue-cured tobacco producers in the province of Ontario, about 1,000 farm families holding provincial quotas to grow tobacco. We are a provincially mandated marketing board that looks after production, marketing and advocacy on behalf of our farmers. We oversee a strict regulatory framework for tobacco production which ensures that all legally grown and sold tobacco in the province goes through our auction exchange in Delhi.

I am here today to ask for help. Over the past several years, we have found ourselves impacted by government tobacco control policies. Our farmers and communities are devastated. Our farmers are trapped. They have invested their life's work in tobacco-specific equipment and assets and are carrying significant debt associated with those assets.

The Ontario government has instituted, in its own words, a "war on tobacco," putting in place some of the most rigorous tobacco control legislation in the world. Smoking bans have been enacted. Taxes have been increased. Retailing of tobacco products has been curtailed.

We have not argued with these measures. We have not fought the government's agenda. We have complied with the law in our own operations—buildings that are owned by tobacco farmers.

Since 1998, the tobacco crop size has been reduced by 79%. Farmers are being forced into bankruptcy. In contrast, governments are receiving record levels of tobacco taxes: \$9 billion in 2005 alone.

We appreciated the help of the provincial and federal governments in 2005 as a first step in this process, a program to help us deal with the most financially vulnerable at that time. Many farmers took the buyout and ceased operations; many more would have taken it if funds had been made available to them. However, the devastation in our sector requires a more comprehensive plan. It is time to finish the job government began in 2005.

We believe it is now time to take the obvious next step and put a plan in place that will eradicate all tobacco production in Canada over an agreed-upon period of time. As you know, we are in detailed discussions with the federal government on an orderly wind-down of the tobacco farming business in Ontario through an exit program for the remaining quota. As I am sure you can understand, this was a wrenching decision for us. Many of us have farmed this land for four generations. This was our livelihood. But there appears to be no relief in sight from the brutal realities of the tobacco market. It is time for us to move on.

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Discussions with the federal government are going well. We are optimistic that an exit package will be announced soon. Our first request is that you support our efforts to convince the federal government to achieve the buyout. It is the just solution.

We are grateful for the support for a solution that many of you have given us in this effort, including Minister Dombrowsky. Minister Dombrowsky has stated that she supports a program for tobacco farmers, but that it should be paid for through federal tobacco taxes. However, you should know that the federal government tells us they will ask the provincial government to pay for up to 40% of the cost of this program, as is the custom in federal-provincial agricultural programs. We are asking you to set aside funding for this opportunity when it arises.

Hopefully, many of us will be able to use the resources from the program to transition to other types of

farming by allowing us to retool and re-equip. It will also allow Ontario to keep its two greatest natural resources—the people and arable land—in productive roles for the Ontario economy.

We strongly believe that the communities that rely on tobacco production need a significant amount of assistance to adjust to a new economic base.

We have received the support of members of Parliament and provincial Parliament from all sides for our proposal and ideas. We have been working closely with governments of all levels on this issue. We appreciate the level of serious consideration our proposal has received.

Our farmers have never been in a more precarious financial position. Many of them cannot hold out much longer. The anxiety in our farm community is running at a fever pitch. You may have heard recent news stories that point to the public declarations of this anxiety. We need two levels of government—provincial and federal—to sit down, roll up their sleeves and get this deal done.

To the committee here today, we need all MPPs to be supportive of our plight and the provincial government to be a willing partner in solving this issue, once and for all. We are asking to be helped out of a business that the government is committed to eradicate. This only makes sense.

I thank you for this opportunity for the government to end the tobacco-growing industry in Ontario as we know it. We have travelled a difficult path to get to this point. We are asking you to meet us there. We hope that you are up to it.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will go to the NDP.

Mr. Michael Prue: I think there's really only one issue here, for me. I need to know the cost. You state about midway down the second page, "However, you should know that the federal government tells us that they will ask the provincial government to pay for up to 40% of the cost of this program, as is the custom in federal-provincial agricultural programs," which is true.

What is the total cost to get the farmers out of tobacco production?

Ms. Linda Vandendriessche: The original proposal contained approximately \$3.30 for the total of 271 million pounds of quota. But I will tell you this, that the federal government has acknowledged that they do not agree with the \$3.30 per pound, and we have also been told that they do not agree with \$2.62. So we are not in negotiations; we are in discussions with the federal government to get some sort of proposal there, and at that point we will understand what the 40% will be.

Mr. Michael Prue: Okay. So at this stage we cannot make a recommendation to the finance minister other than to pay the 40%. We can't say it's going to cost \$50 million or \$500 million. I mean, I have no idea what we're looking at here.

Ms. Linda Vandendriessche: Yes. I can tell you it would approximately be the \$500 million, so probably 40% of that, depending on what the federal government will acknowledge.

Mr. Michael Prue: So if it is \$500 million in total, then our share would be about \$200 million.

Ms. Linda Vandendriessche: Using those numbers, yes.

Mr. Michael Prue: All right. So that's the kind of recommendation, then, that we should be making to the finance minister.

Ms. Linda Vandendriessche: The recommendation you should be making to the finance minister is, this particular area of farmers need assistance and they want once and for all to be out of the production of tobacco.

Mr. Michael Prue: I would hope that the finance minister and the Minister of Agriculture—I think certainly everybody around this table knows that's true. If he doesn't know that, something's wrong. I just want to be specific so that we can do the right thing in terms of finances. Are there any other monies that are required over and above that?

Ms. Linda Vandendriessche: Over and above that, there would be some consideration to our communities that have been affected. We have approximately five municipalities that have been affected by the tobacco turnaround.

Mr. Michael Prue: And they need additional municipal funding?

Ms. Linda Vandendriessche: Yes. They would appreciate that.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

UNITED WAY OF LONDON
AND MIDDLESEX
UNITED WAY/CENTRAIDE
WINDSOR-ESSEX COUNTY

The Chair (Mr. Pat Hoy): Now I call on United Way of London and Middlesex to come forward, please. Good morning. You have 10 minutes for your presentation. There could be five minutes of questioning. I ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Bob Adams: Thanks very much for the opportunity to visit with the committee. I'm Bob Adams. I'm the CEO of the United Way of London and Middlesex. My colleague, Sheila Wisdom, who's the executive director of United Way/Centraide Windsor-Essex County, and I appreciate this brief opportunity to address the committee this morning. We have a short presentation and look forward to a brief dialogue after, if that's possible.

Our presentation really is focused on the need to develop a more efficient, responsive, consumer/client-oriented way of supporting people who are accessing and navigating the needed information and intervention supports in their communities.

By way of a bit of background, as you may well be aware, the United Way is the largest non-governmental funder of community services. United Ways are uniquely

positioned to work with all levels of government as well as business, labour, health, education and individual community members in addressing significant social issues such as poverty, literacy, diversity and children and family wellness.

We are tremendously encouraged by the provincial government's agenda to tackle poverty and look forward to new opportunities to enable families, children, youth and other individuals to reach their full potential. Locally, the city of London is prepared to co-lead an anti-poverty strategy in the near future. We have many community organizations prepared to work with us, but we will need the province as a full partner ready to look at systemic barriers in legislation and social policies that often prevent us from achieving a more positive outcome for low-income citizens.

We would like to commend the province on its child welfare transformation agenda. Clearly, keeping children out of care, safely in their own homes, makes not only good economic sense but is absolutely the right thing to do for the child. Here in London we have been engaged in a partnership with the children's aid society and many others to determine the underlying causes of the increasing number of children entering the care of the society. Our research, *Protecting Children is Everybody's Business*, pointed to poverty, maternal mental health, women's abuse and inadequate parenting skills as contributing factors. Through a Family Networks initiative, a pilot initiative in two neighbourhoods, funded in part by the Ministry of Children and Youth Services, we are using professional and lay supports to strengthen families. This work is really critical if we are to reverse the alarming and costly trend in child welfare.

It's really in this context of our close work with local communities, both in London and Windsor, and throughout the United Way network across Ontario, that working with community groups, stakeholder groups and individual consumers, we're seeing a repeated theme in a need for a navigator and information broker or facilitator that's emerging.

In Ontario, we estimate that there are nearly 15,000 local organizations delivering a diverse range of really 80,000 or more social and human services supports and programs. These important community resources enable people to successfully cope with many of the life challenges and be as productive, active and engaged as possible. They are sustained in many ways by funding from municipal, provincial and federal levels of government as well as charities, like United Way, and as you know, various foundations, private donors and non-governmental organizations.

Navigating through the maze of providers and constantly changing service offerings can be bewildering and often results in a hit-and-miss approach. This is often more pronounced in rural and remote settings where needed services might not even be located in your own community. Unfortunately, this can serve to further disadvantage the most vulnerable or those in the greatest distress. The key problem is the absence of any kind of

coordinated system or network to provide the public with current, accurate information about these resources and how best to use them.

That's where this idea of 211 access comes in; 211 access is designed to directly and effectively address this shortcoming. I'll turn it to my colleague.

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Ms. Sheila Wisdom: Like 911, which provides people with coordinated access to emergency services, 211 uses a three-digit phone dialling to eliminate the need for people to remember or find a seven- or 10-digit phone number. Callers to 211 gain access to information about the entire human services system, as well as helpful professional training to assess the individual caller's needs, provide accurate information and advise them about the most appropriate service or program available for their particular circumstance.

Currently, Ontario residents with access to 211 can be served in more than 150 languages. Certified counsellors answer 80% of the calls in less than 20 seconds. Nearly 90% of callers follow up on the information and referrals received through 211 and actually get the help or service that they need. As a testament to 211's popularity and value to callers, virtually all say they would recommend the service to friends and family.

Most recently the addition, thanks in part to the support of the province of Ontario, of an online 211 capacity expands access further, allowing e-mail inquiries and improved service for others, including people with impaired hearing or those located overseas.

This new public utility, offering people a one-stop-shopping approach covering the full range of community, social, health and related government services and programs, has many advantages. It also creates a new infrastructure platform from which many different products, initiatives and public benefits can be pursued. As such, a provincial 211 system represents an important foundational component of Ontario's efforts to reduce poverty.

Access to information and the connectivity it facilitates helps sustain the health and prosperity of individuals and communities, and support institutions created to address human needs. In Windsor-Essex, we've conducted extensive consultation on services. Regardless of the service area, whether we're talking about children, seniors, families or persons with disabilities, access to information has been identified as a critical gap. By providing that access to information on community services, 211 empowers individuals and helps them cope with a wide variety of life challenges. Promoting individual resilience and community engagement enables people to better sustain themselves and their families.

At the program and policy development level, 211 enhances the efficient utilization of existing human service infrastructure and provides front-line professionals and volunteers with an authoritative online I and R resource. Currently, people seeking human services make five to seven calls before they find the right provider. Each call consumes valuable staff time, and 211 helps

reduce the cost related to errant calls, freeing up staff to serve more clients.

At the community level, 211's real-time data documenting the demand for various human services and resources is a powerful new tool for quantifying poverty and understanding social trends. By accurately identifying resource gaps, waste or duplication, 211 provides new insights to inform planning and investment decisions by governments and non-government organizations. I would just add as an aside that the city of Toronto's planning departments are now using information gathered as a result of 211 when they are looking at neighbourhoods and development of new neighbourhoods in the Toronto area.

Establishing 211 as the first point of entry for human services reduces the need to advertise each existing program, eliminates the costs associated with public outreach when introducing new service initiatives, and helps contain the proliferation of specialized help and 1-800 lines.

It relieves pressure on the 911 system by providing an alternative for non-emergency calls, and also complements the role of first responders during disasters and emergencies, when the demand for both information and human services spikes and the most vulnerable face the greatest risks.

A cost-benefit analysis conducted by Deloitte conservatively estimated that the value of benefits from 211 outweighed the cost by more than 2.4 to 1; the payback on investment occurs in less than three years.

Start-up investments made in the 2006-07 budget have greatly accelerated 211 development in Ontario. The 211 phone and Internet service is now available to residents in Toronto, Niagara region, south Georgian Bay, Halton region and Windsor-Essex. That's more than 30% of Ontarians. Service will commence for residents of Ottawa and Thunder Bay in early February and for Peel region in May. By that time, just over 50% of Ontarians will have 211 access, and the infrastructure for serving all of Ontario will be completed. In addition, the 211 Internet service will be extended province-wide by May.

In the United States, more than 200 million people now have access to 211 service, including those in communities along Ontario's borders with New York and Michigan.

The Ontario 211 initiative is now poised to fulfill its goal of ensuring all Ontario residents have access to this vital service. The main components of a provincial delivery system are now in place; a provincial governance structure and corporate vehicle has been established; an implementation plan developed by Deloitte documenting the financial requirements of the Ontario 211 system has been developed; and a fair share formula identifying the relative cost of the system for government and charitable funders exists. Based on this, United Way proposes that the provincial government earmark \$24.3 million over four years to complete the province-wide implementation of 211 and sustain the system being created to deliver 211 in Ontario.

One of the questions that governments usually ask when seeking input on budgets is, "Where can we cut costs and where can we save taxpayers money?" While we cannot assert that 211 will absolutely result in fewer dollars being spent, we can tell you that our experience with 211 has demonstrated a much-improved integrated access network that reduces the duplication of 1-800 numbers and dedicated lines. We have seen enhanced access to services and supports for clients and stakeholders, along with more flexibility that allows local organizations to use scarce resources towards more in-depth service and support for clients.

We'd be very happy to answer any questions you may have. Thank you very much for your consideration.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the government.

Mr. Khalil Ramal: Thank you very much for your presentation, and I want to congratulate Mr. Adams for his position—for being the executive director for London-Middlesex United Way.

I had the chance to listen to your group I guess a year ago when they came to our office and spoke about the 211 phone system. I think it's an impressive system. I thought it would be in place by now. I don't know what the reason is that didn't enable you to implement it all over the province. How did you implement it the first time? How did you get the funding, whether provincial or just—

Ms. Sheila Wisdom: The funding for 211: The province made available start-up money in a number of communities, and that's how we have been able to put it in place in places like Windsor, Ottawa and Thunder Bay, with a combination of start-up costs from the province of Ontario and local support. Right now, I would say it's a patchwork quilt approach. In Windsor and Essex county, we are piggy-backing on the 311 service that the city of Windsor provides, using their telephony and infrastructure as a starting point, maximizing that existing asset. United Way is also contributing toward the cost, as is the county of Essex, so it's a combination of provincial start-up costs, municipal funding and charitable funding. In Halton, it's being funded entirely by the municipality. So it varies from community to community. In Niagara region, it's funded totally by the not-for-profit sector.

While we have been able thus far to ensure some consistency of service, with standards and requirements for service delivery, our concern is that, first of all, only half of Ontario is getting it, it is totally reliant upon the local community to do it, and it also fails to acknowledge the nature of the way we live now. We ought to have a system that allows someone in North Bay who has parents in Windsor to contact the person and say, "Something has happened to my parents. What services and supports are available for them now?" because we are mobile; we move around. That kind of consistency does not exist.

I guess the other piece is that regardless of whether or not we work in the not-for-profit sector, local government, municipal government, provincial government or federal government, really we are here to serve the

people in the community. How do we look across our respective systems and work in a way that actually serves the person? The person doesn't care if the funding for the program comes from the province or from the United Way, but they do want to know the service is there.

Mr. Khalil Ramal: Basically, you're asking for \$24.3 million to continue your project across the province of Ontario. At the present time for areas like London, for instance, which don't have the 211 phone number, how do they get the service? Through 911, and they screen it and send it to you?

Mr. Bob Adams: Maybe I could talk a little bit about it. Right at the moment, the service is more of a patchwork quilt in London. There is a backbone information service that's somewhat dated that often goes through individual organizations or through city hall, for example, where there are some great supports. Part of the issue is that we don't have that network in London-Middlesex.

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Just talking on Sheila's point on this patchwork quilt, we probably need to think about this information access really as a public utility and fund it as such. Federal, provincial and municipal governments are spending substantial numbers of dollars trying to do outreach to their communities. Where we've seen success is where we've been able to see the 211 not-for-profit investments linked with municipal investments or other provincial investments. So we need to move away from a modeling which is project-based into something that's really funding a public utility and then look at how we knit it together where we can, in fact, look at economies of scale and enhance access at the same time. But we're not there yet in London-Middlesex, which is what we're working towards.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO SCHOOL BUS ASSOCIATION

The Chair (Mr. Pat Hoy): To the committee, I'm advised that our 10:30 is not here yet but the Ontario School Bus Association is prepared to come forward. Thank you, gentlemen, for arriving promptly and early, indeed. We appreciate that for the committee. You have 10 minutes for your presentation. There could be five minutes of questioning. I would just ask you to identify yourselves for the purpose of our recording Hansard and then you can begin.

Mr. Michael Murphy: First of all, Chairman Hoy, the bus is running a little early this morning.

Mr. Tim Hudak: We heard that joke last time.

Mr. Michael Murphy: Same story, eh?

To my immediate left is Kevin Langs of Langs Bus Lines, and he's also vice-chair of the local school bus association in southwestern Ontario called WOSBA; Tony Leighton, First Bus, First Group, who is the secretary of our local association; and John Chapman on my far left from Newry, from the association of Huron-Perth. He's a director on the provincial association as well.

I'd be remiss, Mr. Chair, if I didn't recognize your past interest in our association and in school bus affairs over the years, back in the days of buses being passed by cars etc. The last time I did this, you were the Chair. It was in the Legislature. I was wondering, are we not getting it right, or do they like what we're doing but we're back together again? We'll keep persisting, anyway.

I think everybody in the room recognizes that bus operators really are advocates for safe and reliable student transportation and that situation means safer and cleaner school buses. We've had ongoing federal regulations for the past 10 years that have enhanced the safety of the buses and enhanced the features. We have a new environmental reg that took place in 2007 that makes the engines that much cleaner, with the new emissions reg.

The goals are best established by stable and predictable funding. That takes into account the real cost of operating a school bus. That's really what our parents, students and members are looking for, a stable and predictable funding model.

I would like to remind all that a decade ago, when the government brought in a new funding model for a number of the grants, transportation was not included. That debate and discussion have been ongoing since 1997. I've got the bruises. I was on that committee beginning in 1997, so it's been an ongoing debate and process ever since. But there are some things in the tube and we are optimistic that some of this can be brought forward to you.

I realize that over the course of your travels in the province, you've heard from the people up in Timmins, Mr. Dwyer and Mr. Malette, and the need for the funding model to take into account the true cost. I'm sure you're aware that the province did get a report from Deloitte and Touche last year on that very costing issue. I think it's somewhere on a shelf on Bay Street right now, but hopefully it will be continued.

In Kingston, I know that when they met with you they were talking about the issue of our drivers and the turnover. Here in London, a 30% turnover on a yearly basis is fact. That's what we're faced with.

I know that you were in Guelph and that you were briefed on the cost of fuel and how that affects us. We really do need a predictable fuel escalator that keeps our contracts in line. I have a favourite saying: "I can't take the kids halfway home." We have to take them all the way home and we have to burn about the same amount of fuel on a given day. We can try and limit the idling, but that's about all we're able to do.

Today, I need to address the challenge that our industry faces that perhaps is a little contentious. It's about the enveloping of funding for student transportation.

Over the past decade, the way education has been funded has changed fundamentally. All of the dollars, as all of you know, come from Queen's Park, compared to a few years ago when local trustees raised and spent a large amount of the local tax. As a result, our boards are caught in a challenging situation. On a number of matters,

Queen's Park has enveloped, and dictates how much money a board must spend on a particular priority. Those funds are called enveloped and they can only go to the program they are intended for. The minister has always believed that local trustees know their community, and they want to leave some flexibility for the boards to determine their local priorities, so not all of the programs, including transportation, are enveloped.

Unfortunately, this creates a system where boards are stuck with limited room to manoeuvre dollars around to fund programs of interest in their community, and one of the places they can go to when they need to find the money is their student transportation budget. I'm not saying that anyone is acting improperly. The ministry has to ensure the provincial government's priorities are funded, while retaining local authority. Local boards have to be responsible to local needs; we all know that. Everyone is acting with the best intentions for the students when they make those tough decisions, but one of the consequences of moving that money around is the continual underfunding of student transportation in some of our boards.

The challenge is that the ministry calculates what they think it will cost to run a school bus system for a particular board, and they transfer that money to the trustees. They look over all of their priorities and make decisions about where the dollars go. They decide, perhaps, that they can squeeze a few extra points out of their student transportation file.

That puts your local operators in a tough spot. Most bus companies are small, family-run companies, including my own. When we're dealing with the school board—we're a one-customer business. We don't bid on five bridges hoping we'll get one of them; we only have that one customer, and if we lose that one customer, we're out of business. So when we are dealing with the board and they've transferred money to other points and look over all of their priorities, they take some money out of the transportation file. We're not going to pull up our stakes and move to the next town. There would be no point in doing that, as there's only one school board. We're not in a position to say no if they want to significantly lower the price of the service. We're not likely going to repaint the buses and go into the taxi business. An empty bus isn't worth a lot and an empty bus yard isn't worth a lot either.

The result has been belt-tightening in the industry, where the margins are slim. There is ultimately one payer, and that's the government, and the ultimate premium is safety. We won't skimp on maintenance and other safety obligations. We can't pay less for fuel than what the fuel supplier says. There aren't any bargains on fuel.

What's left is an impact on the age of the fleet. Older buses do not have the same safety features as those manufactured in the last few years. Older buses are less environmentally friendly than those built with the new emissions standards. We're trying to keep running the older buses that are less clean because we just don't have

the wherewithal and the flexibility to buy new ones on the proper schedule that we should be.

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The other impact, of course, is on our people. Our drivers, we feel, are underpaid, and the result has been a spike in recruitment and retention problems.

On the point of drivers, we've been successful as a government and as school boards and as your operators. We're running the buses harder. A lot of buses are doing two and three runs in the morning and two or three runs in the afternoon. Our drivers now all have first aid, they all have CPR, and they all have EpiPens. They have defensive driving, they have fire extinguishers, and assertive discipline. For that we're paying them between \$40 and \$50 a day.

We've been successful in what we've done with the electronic routing on the buses, but the drivers are really the part that we haven't picked up and brought forward and recognized their contribution.

Finally, if the government values safe, clean, efficient student transportation, we're asking that the government ensures the dollars it allocates for busing are actually spent on busing. If things go sideways, it will be us—I mean the government and the operators—who will have to answer. If you say to the taxpayers, "We're adequately funding transportation," but they're not getting the transportation, that's an issue we've got to look at.

Any one of us would be happy to take any questions, Mr. Hoy.

The Chair (Mr. Pat Hoy): Thank you for your presentation. The official opposition has the questioning.

Mr. Tim Hudak: Thank you, gentlemen—all. Thank you very much for your presentation. I'll say at the start that sometimes we have groups that present the same brief in each community, and I want to commend you because you've taken up a different theme in each and given some level of detail about those different pressures on the school bus system, so I want to commend you for that.

Specifically, I wanted to ask a bit more, drill down on the funding model. You say on page 2 that "one of the places" trustees "can go to when they need to find money is the student transportation budget." A couple of paragraphs later you say, "The ministry calculates what they think it will cost to run the school bus system in a board and they transfer that money to the trustees." That's under the per student envelope, or how is that money allocated to each board?

Mr. Michael Murphy: Some of the allocation to each board has been based on a history, if you go back to what we called rough justice in the 1990s. The transportation budget is adjusted on an enrolment basis, plus it is increased arbitrarily—last year it was by 2%—but then it's adjusted based on the board's enrolment as well.

Mr. Tim Hudak: Okay. The historical funding pattern is adjusted somewhat for population growth, and the 2% increase last year.

Mr. Michael Murphy: Yes.

Mr. Tim Hudak: But, again, it's not enveloped as you describe in terms of it must be spent on transportation; it can be spent elsewhere.

Mr. Michael Murphy: No. It can be.

Mr. Tim Hudak: I know it gets convoluted, but can you track on a board-by-board basis which boards are spending the full amount on bus—

Mr. Michael Murphy: Oh yes.

Mr. Tim Hudak: And can you describe that briefly for us?

Mr. Michael Murphy: Well, it's not every board, but there are boards in this area and certainly boards in the greater Toronto area that are not spending all of their transportation dollars on their student transportation.

Mr. Tim Hudak: Are we talking about half of it? Are we talking about 90%?

Mr. Michael Murphy: I'd have to do a calculation, but probably half.

Mr. Tim Hudak: Are you able to follow where those funds then go as opposed to what they're intended for?

Mr. Michael Murphy: Well, they may go to wages.

Mr. Tim Hudak: Not bus driver wages.

Mr. Michael Murphy: No, no. I'm talking about teachers or staffing at the school board, or they could go to capital. If they go back into the general fund, it's hard to say exactly where the dollar went.

Mr. Tim Hudak: I know there has been a significant change, when then-Minister of Education Kennedy interfered in the collective bargaining agreement and mandated a reduction in supervisory time for teachers, and that was unfunded. I don't know if some of the money has gone into that area.

A second point on that is, has the change in supervisory duties meant a change in bus scheduling, a more frequent use of buses?

Mr. Michael Murphy: Yes, it's limited. The window for arrival is only a few minutes before the bell, so there is supervision in the yard when the bus arrives. In some cases, there's a five-minute window. Then, after school, generally we have a 10-minute window. In fact, here the contract is we must leave within 10 minutes.

Mr. Tim Hudak: Before Mr. Kennedy's intervention, what was the sort of—

Mr. Michael Murphy: Well, there was a greater window, particularly in the morning. So you could arrive and unload at one school and then continue on and arrive at another school in that 15 or 20 minutes that you had. Now that arrival is narrowed down.

Mr. Tim Hudak: And what kind of compensation did you receive for this change in the collective bargaining agreement?

Mr. Michael Murphy: We didn't receive any additional compensation for that. What it more or less did was limit in some cases what that particular bus or route was able to accomplish in that period of time.

Mr. Tim Hudak: In my time as a member, there has been a series of private members' bills brought forward on school bus safety, some members more prolific than others in that respect and all with good intention. What

kind of increase does that put on operating or capital costs for things like seat belt initiatives, signage on buses, those types of mechanisms?

Mr. Michael Murphy: There are two things with the capital right now. With the Canadian dollar, there's some downward pressure or a downward factor on the cost of a new bus, but the new emissions factor and the new D250 factor have balanced that off. A new bus today, depending on the engine and a few other things, is between \$80,000 and \$90,000. The dollar has helped on the one side, but then the regs on the other side have offset that.

Mr. Tim Hudak: There's a debate on seat belts for students on school buses. If you want to talk about the merits of that or concerns you have about that, in terms of expense too, what would it cost to fit new buses with seat belts or retrofit older buses?

Mr. Michael Murphy: I don't know how we would retrofit the older buses. The seats aren't designed to accommodate belts. The tie-downs wouldn't be designed. Our capacity would be limited because you would restrict how many kids could be in a particular seat because of the belting issue. You'd have to have two adults on each bus to ensure that the belts not only were on but were properly on. Remember, we could have a three-and-a-half-year-old in that seat, and the next run could be a football player. Really, we're running to that—from 40 pounds to 240 pounds, literally, on that.

I don't see in the immediate future where the system could afford to move to that. In North America or Canada or Ontario, if you look at the history of the school bus with the enveloping and the seating, there are some issues and some situations where a seat belt would actually be detrimental to the well-being of the children.

I've learned at home and school meetings, Mr. Hudak, not to argue against safety, but people just have to realize what we have going and try to update them on the good things we are doing.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

LONDON HOME BUILDERS' ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the London Home Builders' Association to come forward, please. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning. I would just ask you to identify yourselves for the purposes of our recording Hansard.

Ms. Lois Langdon: Okay. We thank you for this opportunity this morning. My name is Lois Langdon. I am the executive officer of the London Home Builders' Association. I have been with the association for 13 years. I have with me this morning Paul Rawlings of Rawlings Homes. He is an award-winning London builder. He builds R-2000, Energy Star and concrete homes. He has been the chair of the technical committee for the Ontario and the Canadian home builders and is well-versed in our industry. I'll turn it to Paul.

Mr. Paul Rawlings: I would like to take a few moments this morning to address some of the local benefits of our industry and then talk briefly about some areas of concern as well as some areas provincially.

The London Home Builders' Association is the voice of the residential construction industry, the home building industry. We're also associated with the Ontario and Canadian Home Builders' Associations. We have 250 member companies locally with over 300 representatives. We represent not only home builders but also renovators, financial institutions, manufacturers and suppliers. We produce in our association, our members, the majority of residential activity in this region. We contribute \$566 million in wages with 12,645 direct and indirect jobs.

The LHBA and our members are looking forward to what should be a fairly stable year in 2008. We had a slow finish to the year in 2007. There were a little over 3,000 new home starts, and this is a little bit, about 15%, below the cyclical start in 2006. A healthy local job market and the ensuing economic growth have generated strong housing demand in the London area. We've had record-breaking existing home sales, and of course this has positively affected the new home market. So we're forecasting, along with CMHC, a healthy 2008 for our area.

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We also expect a strong year in the renovation sector. This bodes well for our existing housing stock with efforts to maintain and upgrade existing housing.

There are some issues I'd like to talk about regarding the recommendations for the upcoming provincial budget.

First off, I'd like to congratulate the provincial government for running consecutive balanced budgets. We realize there are many competing demands on the government that make it difficult to make successful choices. We certainly also take a sympathetic view to the province's concerns in regard to the federal-provincial fiscal imbalance and the issue of fairness regarding employment insurance when we see the province making hard choices. Again, the LHBA is supportive of these provincial efforts.

With respect to infrastructure funding, the residential construction industry is supportive of initial investments in the fall 2007 fiscal update. On a broader provincial scale, the Move Ontario 2020 plan is a great initiative for the greater Golden Horseshoe area, but of course in London our infrastructure priorities are slightly different. I'll just list the immediate needs, if you will indulge me, please:

- a Hale and Trafalgar Streets overpass;
- a road widening and bridge on Sarnia Road—\$20 million; and
- a road widening on Wonderland Road between Fanshawe Park and Gainsborough.

Another road widening that would alleviate a bottleneck in high-traffic areas would be Bradley Avenue from Jackson Road through to Wellington Road.

Probably one of the most important things we see within our industry is the creation of new industry and jobs in London, and key to this would be the development and support of Innovation Park, which is a development of lands adjacent to our airport.

We also have a couple of recommendations for the standing committee to consider.

The residential building industry was supportive of the transfer of two cents of the existing gas tax initiative during the first mandate of the McGuinty government. We believe this was a successful program. Just before the re-election of the existing McGuinty provincial government, we passed a resolution at the Ontario Home Builders' Association annual general meeting asking for an additional phase-in of at least three cents per litre of the existing gas tax for municipal transportation infrastructure. This would bring a total of five cents from the existing gas tax by the end of the McGuinty government's second mandate.

Home builders and new homebuyers in London are proud to support the financing of infrastructure directly tied to the neighbourhoods we build. We not only provide shelter and a place where families create memories and shape their traditions, but new communities also bring in important new property assessment growth for municipalities as well as a population base to support job growth. We pay the capital costs related to growth through development charges, while supporting the economy through both direct and indirect jobs and the tax revenue generated through construction for all three levels of government.

I'd like to also point out, on a side note, that outside of alcohol, housing is the most highly taxed. I didn't know it was a sin to actually live in a new house, but I do my best to support both levels.

Unfortunately, municipal politicians target new housing for additional taxes, levies and fees while artificially suppressing property tax to appease existing ratepayers. They fail to realize that these additional costs are paid for directly by the new homebuyer.

We've got a very good relationship with the city of London. We've worked in co-operation on background studies for the last two development charges, but we're still concerned that a strong lobby from other municipalities to open the Development Charges Act will significantly raise the cost of housing, not only in the province, but certainly in London as well.

I'd like to just talk about our DC locally. As of this year, it's \$16,720 for every new home. This also includes a \$379 education development charge. Just to put that in perspective, last year it was \$14,184 and the year before that it was \$13,784. So housing affordability and the fair taxation of new homebuyers is a central factor in any future discussions regarding the Development Charges Act.

Another area of concern is having a sufficient supply of approved land to satisfy new home developments. The London Home Builders' Association has taken a proactive approach by joining with the London Development Institute, the association of realtors, and also we've

joined with the labour unions of London. This partnership is called the Keep London Growing Coalition, and it has been working for the last year to find solutions to a dwindling land supply in the hope of keeping jobs in London. While there is sufficient land within London, there is what's called an urban growth boundary. There seems to be an artificial shortage that is being created by the municipal approval process, and it's causing the cost of land to increase unnecessarily. Working with the municipality, we're seeing some positive growth in this area as well.

Another area of concern across the province is the harmonization of the GST and PST. We see the federal government adding more pressure. Mr. Flaherty has been obvious in his communications with the province, that they would like to continue forward with this and hopefully give a boost to the manufacturing sector through a harmonization of these taxes. Our understanding is that Minister Duncan is not putting this on his radar screen, and we encourage that this continue—that we do not go down this road of harmonization.

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Mr. Paul Rawlings: Thank you. We're concerned about harmonization, that in provinces where the GST and PST are already harmonized, costs have risen dramatically. Many of the components within a house are not covered by PST. This would add significantly: \$12,000 for a mid-range home in Ontario.

One of the other issues that's also looking at raising costs is the issue of housing sprinklers. We realize that this is a safety issue, and certainly we support this. Just a brief fact: A good portion of homes over 20 years old do not have functioning smoke detectors. We want to make the point that smoke alarms save lives while fire sprinklers save property. Again, let's focus our attention on safety, but making safety available to all in Ontario.

I think that's all I have to say. I have lots more to say, but my time is up.

The Chair (Mr. Pat Hoy): Thank you very much for the presentation. The questioning will go to the NDP.

Mr. Michael Prue: Thank you. Two areas: First of all, you want to phase in an additional three cents of gas tax to municipalities to bring it up to five cents. Presently, the gas tax is apportioned to those municipalities that have transit systems. We've heard from some of the smaller municipalities that they've been left out. If the government were to raise the additional three cents, do you see it still going only to municipalities with transit systems, or would you apportion it differently?

Mr. Paul Rawlings: That's a great question; thanks for asking that. I'm not really sure if we have a position on that, quite frankly.

Mr. Tim Hudak: Take one.

Mr. Paul Rawlings: Make one up? I think it's fair, sure.

Mr. Michael Prue: What's fair? The way it is now or the way that smaller municipalities are asking for?

Ms. Lois Langdon: I think smaller municipalities have a definite need. London would be one of those. A light rail transit system is in our future. It doesn't have a date on it yet, but we definitely have needs here and I would assume that other municipalities of the same size would have additional needs.

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Mr. Michael Prue: No, but London right now is getting the two cents of gas tax. London is not left out. It's not a small municipality; it's one of the big ones.

Ms. Lois Langdon: Well, it's certainly not sufficient for the needs that we have here. That's why they're asking for more.

Mr. Michael Prue: All right; you want more so that London can prosper. But you have no real position on small towns like Tillsonburg, who was here earlier, or Delhi or those places.

Ms. Lois Langdon: Not an official one, no.

Mr. Michael Prue: Okay.

The second one has to do with house sprinklers. This is not that contentious an issue at Queen's Park, although the sticking people seem to be the home builders. They don't want to install this in new homes. If you look back, cars 20 years ago were built without seat belts, but you wouldn't build one today without a seat belt. You know that some things save lives; some things are just accepted that weren't. Why the reluctance to use the technology, which is fairly inexpensive, to not only save properties but, I would put it to you, save lives—particularly firefighters' lives? They come to a house that's at flashpoint, and they could die.

Ms. Lois Langdon: I think there are a couple of points, and certainly Paul can jump in as well. The point that we would like to make is that new homes are already more fire resistant. They are built of different materials than existing or older homes are. They are already more fire resistant. We have been looking to the fire marshals for information on the ages of homes where there are fires, to try to track some statistics, and are as yet unsuccessful in being able to gain that information, but we know that the new homes are already more fire resistant. They are also hard-wired with smoke detectors. We feel that if you're serious about saving lives, the emphasis should be on existing homes and ensuring that they have smoke detectors.

Mr. Paul Rawlings: If I can add to that, I've been involved in this discussion for probably 10 years on a national level. I was involved in a discussion on TV with the Mississauga fire chief, who has been a proponent of fire sprinklers. Interestingly, when the fire chief was asked if he had fire sprinklers in his own home, his answer was no. When he was asked why: "Because they're too expensive." So I'd like to just correct you, because the home builders are not against sprinkler systems.

Mr. Michael Prue: The only people I've ever heard speak against them have been home builders. Maybe that's not your position, but I've never heard anyone else—

Mr. Paul Rawlings: No, our position, quite frankly, is we are against mandatory sprinkler systems. If there is shown a need for our customers that we are able to fulfill, we are certainly more than willing to do that.

You also made the comment that they're inexpensive. That's not a correct statement. They are extremely expensive; they do add significantly to a new home's cost. The problem here is not new homes, as has been pointed out; the problem is, 74% of Ontario's housing stock is more than 20 years old. So what we're doing is we're actually penalizing those who do not have, or cannot afford, a new home. We're making it almost—actually, I'm not going to go there. What we're doing is making homes even more expensive, and we're really penalizing those who cannot afford new homes. I think that's unfortunate. I think it's an unfortunate position, that those who are trying to push this mandatory sprinkler system are taking that position. You're right: We want to concentrate on saving lives. How do we do that? We concentrate on smoke detectors, because we know that before there's fire, there's smoke. Quite often, people are already dead before. So sprinkler systems save property; they don't necessarily save lives. I think that's an important point for us to keep in mind.

Ms. Lois Langdon: I think one other small point on that is that there is a process that has been followed for years for effecting changes to the building code. It is an important process. It requires discussion, it involves manufacturers, it deals with specifics of how things are installed and what the impacts of changes are in the building code. To bring it through as mandatory through legislation doesn't follow that process. It doesn't give the industry an opportunity to work through all the requirements that we would need technically to install them in houses.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

FEDERATION OF THE SISTERS OF ST. JOSEPH OF CANADA

The Chair (Mr. Pat Hoy): Now I call on the Federation of the Sisters of St. Joseph of Canada to come forward, please. Good morning. You have 10 minutes available for your presentation. There could be five minutes of questioning. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Sister Sue Wilson: Good morning. My name is Sue Wilson. I'm a sister of St. Joseph. I work at the office for systemic justice for the Canadian federation of the Sisters of St. Joseph. This federation represents six congregations and over 650 sisters. Our office speaks for the federation on matters of eco-social justice.

As we identified priorities for the upcoming budget, our first concern was to examine the well-being and sustainability of Ontario communities from social, economic and ecological perspectives. This morning, I want to highlight one of the most critical patterns that we discerned: the growing gap between rich and poor. As

you know, the gap was a problem during the tough economic times of the early 1990s. But it continued to widen, even as Ontario's economy strengthened in the late 1990s, and it has now reached a record high, both in terms of the gap for earned income, as well as after-tax income.

There are those who argue that the gap doesn't matter as long as the poorest among us have access to the basic goods in society. However, that's just the point: As Armine Yalnizyan shows in her study, Ontario's Growing Gap, the rich set the pace for the price of basic goods, such as housing, health, education and transit. In addition, sociological studies are demonstrating that a wide gap between rich and poor affects social cohesion and well-being for all citizens. Societies that have wide gaps between rich and poor experience higher levels of violence, poorer health for all, lower levels of trust and community participation, as well as higher levels of racism and sexism. A wide gap between rich and poor is clearly contrary to community well-being and sustainability.

The gap between rich and poor also has ramifications for how we address climate change. Hopefully we can all agree that climate change is an issue that needs sharply increased investments from all levels of government. While we strongly support such policies, we also ask that the government be attentive to barriers faced by people living with low income as these policies are developed. For example, we know that the cheapest housing often has the highest energy costs, with the result that people living with low incomes have a higher energy cost burden. At the same time, they lack the resources to reduce energy consumption and greenhouse gas emissions. So climate change policies must also assist people living with low incomes to make the transition to low-emission lifestyles.

As I move to more specific recommendations for the upcoming budget, I'd like to note that we've been very pleased to see that the government is developing a poverty reduction strategy. It's in the context of this commitment that we recommend the following budget priorities for Ontario as a means of beginning to address the growing gap between rich and poor.

First, in terms of the labour market, Ontario needs a minimum wage that enables those who work full-time, full year, to live above the poverty line. Since studies indicated that raising the minimum wage would have little impact on employment levels, we recommend setting the minimum wage at \$10.25 an hour in 2008 dollars. That's \$10 an hour in 2007 dollars. We urge that this level should be reached as quickly as possible with an annual indexation to reflect the cost of living.

At the same time, employment standards need to be updated to ensure that migrant, contract and temporary workers, people with whom we're in touch every day, have the same protection under provincial legislation as do full-time workers. It's also critical that more inspectors are hired so that employers who break the law are identified and fined.

Second, in supporting the transition to the workforce, current rates of social assistance are seriously inadequate, making it much more difficult for people to move into the workforce because so much time and energy is needed simply to meet the basic needs of one's family.

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Benefits for both Ontario Works and ODSP need to be increased by double-digit levels during 2008 and indexed to inflation so that recipients have access to the resources and opportunities that are fundamental to participation in community life. At a minimum, this should include a shelter allowance that reflects the real cost of adequate housing in Ontario and it should provide for the cost of meeting the nutritious food basket as it's defined by local public health authorities. We also call on the government to establish an independent committee to determine just and rational criteria by which social assistance rates should be set.

Third, the government can support families and children in four ways that we want to highlight: by speeding up implementation of the Ontario child benefit so that families receive the fully benefit sooner; by continuing to invest funds for building a system of not-for-profit, universally acceptable, high-quality child care, in addition to the funding for junior and senior kindergarten; by increasing the availability of affordable housing through annual targets for the construction of new affordable housing, the rehabilitation of aging public housing and a housing allowance program to assist low- and modest-income renters; and by being attentive to the poverty barriers in addressing climate change.

As money is invested in developing alternative energy sources, it will be very important to create strong grants and programs that will assist low-income householders to make the transition to energy conservation and efficiency. It will also be important to make significant long-term investments in public transit systems.

The Nordic countries are demonstrating that it's possible to use comprehensive strategies to address both poverty and environmental concerns, while remaining highly competitive among world economies. Studies also indicate that the overall benefits for community sustainability and overall health would be enormous.

We urge the provincial government to be guided by a similar vision in its decision-making for the upcoming budget.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will go to the government.

Mrs. Maria Van Bommel: Welcome, Sister, to the committee. Could you tell us a little bit more about the office for systemic justice and the work that you do there?

Sister Sue Wilson: Yes. As many of you will know, our sisters for hundreds of years have been involved in addressing social issues in our cities and in our small and rural towns. A lot of our work has been kind of front-line work. That might be working with refugees who are new to the country, working with people who are un-

employed; another example would be running soup kitchens.

Our office is our effort to take a step back. We think it's important to reach out to address these concerns, but our office takes that step back and asks, "What are the root causes of these problems that are existing? Why do these people not have access to goods that we would consider basic to society?" and to look at some of the government policies that contribute to these problems.

Mrs. Maria Van Bommel: I just want to address your point about the not-for-profit universal child care system. Certainly, my riding is a very rural riding and the big-box type of child care is not a viable alternative in a rural community. We not only have a lot of not-for-profit but we also have situations of households that use it as an opportunity to bring income in. So we have individuals who provide child care to neighbours, especially in rural communities, because of the isolation that we experience there. It's a matter even of convenience in terms of bringing our children to a situation on a farm or an individual in town who will do the child care for us.

What is your position on that? That really is for-profit. The point is to have income coming into the household. So how do you feel about that in terms of not-for-profit? Is there space in your plan for those individuals who provide child care to their neighbours and their communities and also do it for profit?

Sister Sue Wilson: I think there will always be space for that option. I think there will always be people who simply can't afford to access that as an option. Those are the folks I would be most concerned about. It seems to me that if we can move to a place where we're giving child care workers a decent wage, we will allow the blossoming of a not-for-profit industry there. I think that we need to get the structures in place that allow that industry to develop in a way that reaches out and gives access to all people.

Mrs. Maria Van Bommel: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

ONTARIO PROPANE ASSOCIATION

The Chair (Mr. Pat Hoy): I'm advised that our 11:15 is not here yet, but the Ontario Propane Association is willing to come forward. If you would do that, sir. Good morning, and thank you for making your presentation somewhat earlier. We appreciate that very much. You have 10 minutes for your presentation and perhaps five minutes of questioning following that. Please identify yourself for Hansard.

Mr. Andy Bite: Good morning, Mr. Chair and members of the committee. Thank you for the opportunity to participate in the pre-budget consultation. My name is Andy Bite. I am here on behalf of the Ontario Propane Association. I'm the CEO of EDPRO Energy Group, a propane marketer that's located here in London. We have three facilities and operate in Ontario. We have

provided a very detailed submission which I will summarize in the next few minutes.

First of all, the Ontario Propane Association is the recognized voice of the propane industry in Ontario. We have over 240 members and we represent the interests of propane marketers, along with transporters, producers, wholesalers and suppliers to the industry.

I'm going to keep it pretty simple and straightforward. Our industry submission can be summarized in about five relevant points:

(1) Propane as a transportation fuel is 25% less expensive than gasoline, 11% less expensive than diesel and 9% less expensive than CNG. In fact, propane is the most cost-effective fleet fuel when evaluated on a full life-cycle basis, when you consider the cost of conversion when it's used in fleet applications.

(2) Propane is more environmentally friendly than gasoline or diesel, emitting up to 26% less greenhouse gases than conventional gasoline and significantly less emissions of criteria air contaminant and air toxics that impact air quality and human health.

(3) There is an abundance of propane in Canada available to meet the transportation sector needs. Propane from domestic sources can replace up to 20% of domestic gasoline demand.

(4) Propane pricing has been and is likely to be more stable than gasoline, diesel and ethanol blends well into the future.

(5) Propane is the most readily accessible and available alternative fuel in Ontario and additional infrastructure is easily installed as fleet-specific needs arise.

In summary, propane is the most cost-effective and easiest clean fuel for fleets to implement. Propane is readily available for them, there is an abundance of supply, it has environmental benefits, and it provides significant cost savings without vehicle performance compromises.

That is basically a short summary of what is in the document. All the evidence is there and I encourage you to read our submission. We believe there is no one single solution to reduce the impact of transportation fuels on the environment and climate change or provide ongoing energy security. We believe there is a myriad of solutions required and developed for specific segments of the transportation market. We believe propane can be part of the transportation fuel solution in Ontario within specific fleet segments.

We've also attached two business cases done at the Ivey School of Business from two municipal fleets: One is here in London, the London Police Service; another is in Mississauga, the region of Peel TransHelp, a para-transit service. As well, we've attached a testimonial from one of the largest private fleets in the world, United Parcel Service, better known as UPS.

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At this point we're really not asking anything from government other than to keep what is in place in terms of alternative fuel programs, perhaps enhance them. But we are pointing out that fleets, including government

fleets, can enjoy significant cost savings using propane while also improving the environment.

Thank you very much. I would be pleased to answer any questions that you may have.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the official opposition.

Mrs. Julia Munro: First of all, I'd like to offer comments as there's perhaps a conflict of interest. I'm a propane user.

Mr. Andy Bibe: Well, that's a good thing.

Mrs. Julia Munro: I was a little bit disappointed right at the end when you said that in terms of specific recommendations—quite frankly, that's what I wanted to hear; I really appreciate the detail of the submission that you're making to this committee. I know that previously there was an initiative by government to really increase the use of propane. It would seem to me that the time has come perhaps, if I might use the expression, to fan those flames.

Mr. Andy Bibe: In terms of alternative fuels, propane being one of them, there is an alternative fuels policy, there are incentives and rebates in place which we've documented. We believe that at a certain point in time those should be enhanced. They should be done on a fuels-neutral policy, and we'd be glad to be part of those discussions.

I believe there's a niche for every fuel, that there's no one answer. Long-haul trucking is different than the consumer vehicle and so ethanol blends fit in those; long-haul trucking, biodiesel. The commercial sector, the municipal sector use significant fuels in light-duty vehicles, centrally fuelled and maintained. Those are ideal for propane.

Mrs. Julia Munro: I think that's really what we, as a committee, need to hear, recommendations such as that. I'll pass it on to Mr. Hudak.

Mr. Tim Hudak: You know, I've got to declare a conflict of interest too, like my colleague Mrs. Munro. I've got to tell you, I'm a customer of Free Gas out of Pelham, Ontario.

Mr. Andy Bibe: In Fonthill, yes.

Mr. Tim Hudak: When I heard it was Free Gas, I thought this must be a tremendous business, and then I get bills every few months, so you can do something about that.

But on a serious note, I noticed in your presentation—thank you for the level of detail, which I'll have a chance to look at a bit later on—as I was skimming it, you talked about propane being at its peak as a transportation fuel in the 1990s: 50,000 vehicles consumed a quarter of a million litres of fuel. But today that has decreased significantly: 120 million litres of fuel in 6,000 vehicles. So help me understand why that substitution has taken place. What are the market forces causing that?

Mr. Andy Bibe: In the 1980s and early 1990s, propane was heavily incented. A number of the grants from the federal government went away. We didn't keep up with the technology and then the technology became way more expensive so the economics changed. Through the

late 1990s, early 2000, we had relatively low gasoline prices. There was no incentive to change and there was no pressure environmentally at that point in time.

Mr. Tim Hudak: Right.

Mr. Andy Bite: Now we're seeing more and more private fleets looking at their fuel costs. We are not seeing much activity in the municipal sector, and we think that is a prime sector, as well as certain fleets within the provincial government or funded by the provincial government.

Mr. Tim Hudak: And the abundance of fuelling stations that have propane available?

Mr. Andy Bite: Right now, there are about 1,200 in Ontario. There were close to 5,000. Again, that infrastructure is easily replicated.

Mr. Tim Hudak: Is the Ontario reality, with respect to fleets and such we've discussed, the North American reality or have there been interesting shifts in Ontario versus other provinces or states?

Mr. Andy Bite: It's a Canadian reality. BC, Ontario and Quebec have the best fiscal regime for propane as a transportation fuel. In the US, there is not a surplus of propane like there is in Canada, so it doesn't quite fit as well. The more natural gas we produce in Canada, the more propane we get, the more we ship to the US.

Mr. Tim Hudak: To what degree is propane going to be impacted, whether as a home heating fuel or transportation, by the current energy policy to build all the new natural-gas-burning facilities and close down the coal energy generating plants?

Mr. Andy Bite: As I said, as the natural gas supply and demand grows, so will propane supply. Eighty per cent of the propane in Canada comes from natural gas, so as we produce more natural gas to meet more demands, we will have more propane available.

Mr. Tim Hudak: But the concern is that the new plants will suck a lot of the natural gas out of the home heating supply for general energy use. Propane will—

Mr. Andy Bite: No. About 55% of natural gas produced in Canada is exported to the US, so those exports will be diminished and LNG, liquefied natural gas, will be brought into the US, into Houston, into facilities offshore Boston, offshore New York.

Mr. Tim Hudak: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee.

ELEMENTARY TEACHERS' FEDERATION OF ONTARIO-THAMES VALLEY LOCAL

The Chair (Mr. Pat Hoy): Now I call on the Elementary Teachers' Federation of Ontario-Thames Valley Local. Good morning. You have 10 minutes available for your presentation. There could be up to five minutes of questioning following that. I would just ask you to identify yourselves for our recording Hansard.

Mr. Phillip Mack: Phillip Mack, president, Elementary Teachers' Federation-Thames Valley Local.

Mr. Craig Smith: Craig Smith, vice-president, Elementary Teachers' Federation of Ontario-Thames Valley Local.

The Elementary Teachers' Federation of Ontario, ETFO Thames Valley Teacher Local, represents more than 3,200 public elementary teachers in the Thames Valley District School Board. We welcome the opportunity to participate in the pre-budget consultations related to the education funding model in particular. It is clear to us that adequate funding is the key to ensuring a high-quality education for all elementary students—for each one our members represent and teach.

We recognize that the funding model is not perfect and is in constant need of review in light of changing priorities and needs. We do have confidence, however, that ETFO Thames Valley Teacher Local and the Liberal government share a common goal of ensuring that education is funded to provide a high quality of education for all Ontario students, that the levels of funding need to meet the needs of elementary students and teachers, and that these funds are allocated appropriately.

Funding cuts imposed over time have resulted in serious program losses and represented a major setback for public education in the province. On a per pupil basis and taking inflation into account, education funding was cut by almost 5% from 1998-99 to 2001-02. Since this government first took office in 2003, education funding has seen a significant increase of over 17%, again taking enrolment and inflation into account. We applaud the government for making the rebuilding of public education a key priority.

While progress has been made to reinvest in public education, the ETFO Thames Valley Teacher Local remains concerned that the funding provided for elementary students is significantly less than what is provided for secondary students. This historic gap in funding is no longer defensible and contributes significantly to the creation of a two-tiered public education system.

ETFO Thames Valley Teacher Local's primary concern is the gap in funding between elementary and secondary students. From the beginning, the student-focused funding formula has placed a higher value on secondary students than elementary students. We believe this funding inequity is a barrier to ensuring that all elementary students receive the high-quality, well-rounded education they need to be successful lifelong learners.

Based on calculations provided by the Ministry of Education, we know that the gap in funding for elementary and secondary education in 2007-08 is approximately \$711, which is to say that school boards are provided approximately \$711 in additional funding for each secondary student than for each elementary student.

We appreciate the concerted effort that the government has made to reduce this gap. In 2003-04, the gap was \$1,318. The current gap of approximately \$711 represents a reduction of approximately 46% in just four years. However, a gap of approximately \$711 is still significant and should be seen as unacceptable.

The funding gap means fewer resources in elementary classrooms, fewer specialist teachers for elementary students and less preparation time for elementary teachers. We believe the government will not achieve its goals of improving students' level of academic achievement and reducing high school dropout rates if it fails to address the underfunding of elementary education. If the goal is to increase student achievement, elementary education needs to be better funded. There is simply no rational explanation to justify this difference in funding.

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A couple of questions: Why is staff development per elementary student \$1 less than per secondary student? This deprives the elementary panel of \$1.25 million. Why are textbooks and learning materials funded at \$27 more per secondary student than elementary student? This gap totals almost \$34 million that is not available for elementary resources. Why are classroom supplies funded at \$105 more for a secondary student than for an elementary student? This is a loss of \$131 million for elementary classroom supplies.

The ETFO Thames Valley Teacher Local is concerned that elementary students in grades 4 to 8 are presently experiencing larger class sizes than in the school years between 2003-04 and 2006-07. We recognize that it was not the intent of the Ministry of Education to implement the primary class size reduction at the expense of elementary students in the junior and intermediate grades. In Thames Valley, however, it is clear that the implementation of the primary class cap has resulted in increased class size and split grade pressures in the junior and intermediate divisions.

The platform promised to create a \$150-million fund to assist students in grades 4 to 8. This acknowledges that there is a funding gap, and it's a problem, and is an important first step in reducing the gap between elementary and secondary funding. We do look forward to this new funding and to working with the government to ensure that it is put in place quickly and effectively.

There are a couple of things that we are looking at. Each elementary school should have a full-time teacher-librarian. In spite of the government's current focus on literacy, few elementary schools are staffed with a full-time teacher-librarian whose role it is to assist students with literacy and research skills and support classroom teachers to deliver their programs. Currently, an elementary school must have over 750 students to qualify for funding for a teacher-librarian. Most elementary schools fall far short of this number. Elementary students are thereby disadvantaged by this current approach.

Only one guidance teacher is provided for 5,000 elementary students; that would be the equivalent of one guidance teacher for every 14 elementary schools of 350 students. To this end, ETFO Thames Valley Teacher Local supports the view that every elementary school should be staffed with at least one guidance and/or student success teacher, as is the case in secondary schools.

In essence, the time to close the gap in funding is now. An era of declining enrolment should provide us with a perfect opportunity to do so.

A couple of other initiatives where we are looking for support: in full-day kindergarten. The government has made a commitment to phasing in full-day junior and senior kindergarten programs beginning in 2009-10. This is a very positive first move and one that recognizes the extensive research that supports learning for the early years. We look forward to this initiative. ETFO Thames Valley Teacher Local believes that these programs, provided by qualified elementary teachers, will ensure that all students receive the foundation they need for successful lifelong learning.

The goal of achieving higher student achievement in literacy and numeracy requires that the funding provided to school boards be predictable, stable and adequate to support the learning needs of all students. Given the recognition that success in the later years of a student's schooling is based on a solid foundation in the beginning years, the current gap in funding between an elementary student and a secondary student does a tremendous disservice to Ontario's elementary students.

We would like to make a few recommendations:

- that the funding gap between elementary and secondary students be eliminated;
- that the primary class size funding be folded into the foundation grants;
- that the lines in the foundation grants for staff development, textbooks and learning materials, classroom supplies, classroom computers and classroom consultants be no less for elementary than for a secondary student;
- that the school foundation grant be modified to fund one full-time teacher-librarian for every elementary school;
- that the foundation grant be modified to fund a minimum of one full-time guidance teacher for every elementary school;
- that design and technology courses for grade 7 and 8 students be re-established;
- that the local priorities amount be re-established in the foundation grant;
- and finally, that the funding formula be modified to ensure that no board receives less money in real terms, adjusted for inflation and enrolment, in any year than they received in the previous year, to provide stability and predictability.

We thank you for your time and would entertain any questions that you may have.

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the NDP.

Mr. Michael Prue: On page 4 you made a statement, and I'm a little puzzled by it, so perhaps you can clear it up. You state, "We recognize that it was not the intent of the Ministry of Education to implement the primary class size reduction at the expense of elementary students in the junior and intermediate grades." It was the intent of the government to lower the class sizes in those junior grades, but they didn't give enough money to the school

boards, so how could their intent have been anything other than that?

Mr. Craig Smith: The understanding that we had from the Ministry of Education is that the impact of the primary cap should not come at the expense of junior and intermediate students. How that has unfolded in various places is a little different in each board. In our board, I think some of the flexibility that the board may have had in terms of the allocation of resources has led to this situation. So for example, the funding formula basically says in junior and intermediate grades you're looking at a 25-to-1 ratio, but we know, for example, that the current ratio in our board is something in the order of 26 or 27 to 1.

The other thing that skews the result is that classes that are split grades 3-4 are capped at 23. They're counted into the junior and intermediate average, so you can actually do two things at once. You can make the average look lower but actually have increased class sizes in those grades 4 to 8. So I think we have to be a bit careful with the statistics. There's improvement, and we think there are steps being made in the right direction, but we are a little concerned that when the funds actually get to the board, perhaps they're given a little more flexibly in terms of the allocations. Who's paying for that at this point are the students in 4 to 8, and we happen to represent those people as well. So there is a bit of a conflict there; you're quite right.

Mr. Michael Prue: The second thing, if you could explain it to me—this is found on page 7: "Beginning in 2001-02, a local priorities amount was added to the foundation grant. It was eliminated last year." You want it re-established. Why was it eliminated? I fail to understand the rationale for the government in doing this.

Mr. Craig Smith: I would also wonder why it was eliminated, and perhaps I'm not in a position to answer that question.

Mr. Michael Prue: How was it explained to you? You obviously must have questioned it.

Mr. Craig Smith: In general terms, we don't get a lot of consultation at the local level about those particular priorities. So I would think that we would want to speak with our provincial colleagues. However, we do recognize the value of that particular grant, because that's where you can give boards flexibility. I guess where we have an issue is where funds are allocated, particularly for the elementary panel, and then are shifted around to cover or to offset other costs. That's a constant discussion we have with the members of provincial Parliament and with our provincial organization: There needs to be a balance struck between the sweating of money that makes sure it goes where it needs to go, and some balance where the boards can reflect local needs. So I think there is an ongoing issue there. As to the specific question, I don't have a specific answer.

Mr. Michael Prue: Okay. Last but not least, my question is on your last recommendation: "that the funding formula be modified to ensure that no board receives less money in real terms"—and it goes on. This is perhaps the

biggest single failure, in my mind, of the funding formula, because boards with even a few students' declining enrolment can be really triggered badly. It's happening in downtown cores, it's happening in small communities, northern communities especially, with the number of kids attending. How much will it cost the government to implement this?

Mr. Craig Smith: I wouldn't have that particular information. What I can speak to, though, is our board is in a unique situation because, like most of the boards in the province, we are experiencing decline, and have been over a considerable period of time. One of the problems or challenges in our particular area is that, though the numbers are overall in decline, we have pockets of growth. So we're kind of caught betwixt and between in that we are a declining board, but we also have growth. So again it gets to the statistics. The overall is a decline, so we're getting all of those pressures, but we also have areas of growth that require an influx of resource. As to the specific numbers, I am not sure what the impact is on our board. I know that there have been serious issues here with the way the funding formula works as pupil-driven. When those numbers go down, obviously that has an impact on the funding and we'd like to see things that would offset that.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

1130

PEOPLE FIRST TILLSONBURG

The Chair (Mr. Pat Hoy): Now I call on People First Tillsonburg to come forward, please. Good morning. You have 10 minutes available for your presentation. If you would identify yourself for the purposes of our recording Hansard, you could begin.

Ms. Della Derrough: My name is Della Derrough. I am here on behalf of People First Tillsonburg, and I would like to thank you for allowing me to speak today.

It was 1993 to 2004 that we did not receive an increase. We want to thank you for the cost-of-living increases that have been given to us in three out of the four years in your first term of office.

We need to make sure that people are given money for their bills. When the cost of living goes up, we have to cut back and are not able to pay our bills. The cost of groceries is expensive. Other people's carts are filled. If we bought like them, we would have to go into the utility bill. We have to buy cheap food. People have to go to the food bank, and you are only allowed so much; there is a limit on it. People have to go to the soup kitchen for meals. We don't like to be told that that is what you have to put up with when you are poor. We are not able to afford luxuries like computers.

People who live in London pay \$74 for a monthly bus pass. In Tillsonburg, we have to pay \$6 one way for a taxi. We can't pay for a cab or meals and a show. We don't have a bus service in Tillsonburg.

What can you give us to allow us to live in dignity? You have to wait five years before you can get a new wheelchair.

We are asking that you increase the ODSP so we are able to live like normal persons, normal lives, able to have a better life as the cost of living rises.

We encourage people to work, but some people don't want to work because the government takes the money back. It seems like the government doesn't care about us. When you work to gather the paycheque and then they take it back, it's not right. Little of the pension cheque money is left for normal retirement.

Change the drug card and dental card to cover it 100%. Whatever prescription the doctor gives you should be paid for, not a substitute but the right medication, or you have side effects.

There is not enough money for people with disabilities. They need someone there 24 hours for their disability so nothing happens to them. Continue having services and support. If a person doesn't fill out their papers correctly or is a day late, there is an interruption of support. Landlords are not friendly when they don't receive their rent. Please increase our ODSP so we can pay.

Thank you for taking the time to listen to us today. We need to be heard. People need to listen to us, and we need to have our ODSP increased.

Do you have any questions?

The Chair (Mr. Pat Hoy): Thank you. The questioning will go to the government.

Mr. Wayne Arthurs: Della, thank you for your presentation this morning, and to—is it Michael who is with you?

Mr. Michael Kadey: Yes.

Mr. Wayne Arthurs: Michael, thank you for being here. I didn't get the other young lady's name.

Ms. Helen Lee: My name is Helen.

Mr. Wayne Arthurs: Hi. Thank you, each of you, for being here and coming in from Tillsonburg.

Tell me just a little bit more, if you would, about People First Tillsonburg. How large is your group, and are most of the members of the group on disability?

Ms. Della Derrough: Yes, they are.

Mr. Wayne Arthurs: Do you know how many people are in the group?

Mr. Michael Kadey: We've got 12 people.

Mr. Wayne Arthurs: That's a good size. You're representing some people in your community in a very effective way.

We appreciate very much the presentation you've made this morning, and specifically outlining the financial challenges that you face on very limited means. We appreciate, too, your comments that we've made some headway, even on the cost-of-living adjustment, over the past three or four years, particularly when it had been some time since you had seen anything.

I'm optimistic, and I'm hoping that you will have the opportunity to present to the cabinet committee on the consultations around a poverty reduction strategy. Deb

Matthews, who is one of our members, a member from London and a member—

Ms. Della Derrough: I know her.

Mr. Wayne Arthurs: You know Deb? Okay. She's going to lead that process as the chair of the cabinet committee, but we need to hear from people like the folks from People First Tillsonburg. We need to hear it on the ground so the real needs of people are the ones that are getting to us. We've done some things that haven't necessarily helped you directly, like increases in the minimum wage. If you're not in a position to work, that's not going to help you very directly. So you need some very specific things. The commitment we've recently made to investing in dental care for those of low income may be of some benefit. It certainly has some benefit for others who find themselves in similar situations, but not necessarily because of a need for ODSP payments.

What types of increases do you think we should be making to the ODSP payments?

Ms. Della Derrough: Cost-of-living increases.

Mr. Wayne Arthurs: At the very least the cost of living, and probably more?

Ms. Della Derrough: More.

Mr. Wayne Arthurs: More would be better.

Mr. Michael Kadey: A little bit more. And let us keep what we earn; don't take it away from us. Let us have a normal life in dignity, like normal people who can work. Thank you.

Mr. Wayne Arthurs: So you encourage us to not be clawing back any earnings that you're achieving beyond your ODSP payment.

Mr. Michael Kadey: Yes.

Mr. Wayne Arthurs: Thank you so much for your presentation this morning.

The Chair (Mr. Pat Hoy): Thank you for coming today.

The committee is recessed until 1 o'clock.

The committee recessed from 1138 to 1301.

CANADIAN TAXPAYERS FEDERATION

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. For the committee, our 1 o'clock presentation has cancelled, but we do have the Canadian Taxpayers Federation prepared to give their brief. We do appreciate your coming forward to do that for us at this time.

You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Mr. Kevin Gaudet: Thank you, Mr. Chairman. My name is Kevin Gaudet. I'm the Ontario director for the Canadian Taxpayers Federation. Thank you, ladies and gentlemen, for allowing me to present to you today. It's been a long time since I was in London. I did my MBA here at the Richard Ivey School of Business. I can only hope that your questions today will be as gentle as were my professors'.

The Canadian Taxpayers Federation is a national non-partisan, not-for-profit organization. We have 68,000 supporters across the country, approximately 12,500 in the province of Ontario.

The 2007 election platform document for the governing party was Moving Forward Together. Too often over the past years, though, "moving forward" has meant "moving spending forward," and sadly this has meant leaving taxpayers behind. The Canadian Taxpayers Federation's recommendations for the 2008-09 Ontario budget offer a taxpayer-friendly path forward, including a spending freeze, personal tax relief, debt reduction, greater accountability from Ontario's crown corporations and more transparency in how tax dollars are spent.

Spending in Ontario has been climbing at alarming rates. Government spending is up to \$84 billion a year on programs, up from \$64 billion when the government took office only four short years ago. This rate of spending is not sustainable. During the government's mandate, spending has grown by more than double the combined inflation and population growth rates, a benchmark that former Prime Minister Paul Martin had established as a target for financial spending. As a result, the Canadian Taxpayers Federation recommends a two-year freeze on program spending, followed by a spending cap limiting program spending growth to the maximum of the combined inflation and population growth rates.

Not only has spending been growing, but the government is spending beyond even what it budgets from year to year. As this slide shows, this practice is trending in the wrong direction. You can see that the ski slope at the end of the curve demonstrates that year over year, over-spending is increasing. The practice of shovelling cash out the door at year-end robs taxpayers and is denounced by the Auditor General. Therefore, the Canadian Taxpayers Federation recommends that in-year budgeted spending be made illegal, as has been done in some states like Washington.

Despite years of a strong economy, Ontario taxes have gone up and rampant spending has been enabled by soaring government revenues. Surpluses are now being run and taxpayers, we believe, should see the benefits through the elimination of the health tax.

The taxpayers of the future also deserve a break. As the Ontario government continues to mortgage against future taxes, total debt in Ontario continues to climb, up to over \$162 billion. That's \$12,656 for each man, woman and child in Ontario, and interest on the debt eats over \$9 billion every year, which is just under \$25 million a day in debt interest spending. This spending erodes government's ability to spend where necessary or to provide meaningful tax relief for beleaguered taxpayers in Ontario.

To resolve this, starting in 2009 and 2010, 1% of total revenue should be mandated to go to debt repayment. The interest relief should then be paid back to taxpayers in a tax-back guarantee similar to the policy advanced by the federal government.

Mr. McGuinty continues to believe that intervening in the economy by channelling cash directly to firms through corporate welfare schemes creates jobs. It does not. The practice should end. The government would save, according to our calculations, \$942 million per year in the process by the elimination of the myriad corporate welfare programs it runs.

The corporate welfare bums are not the only ones with their hands out. Mayors are also begging the government for more money and new taxing authority. With the average family in Ontario already paying 46% of their income in taxes, new municipal taxes are not the way to go, and they should be denied. Instead, to fund infrastructure in a principled manner there should be a gas tax accountability act, which would dedicate gas taxes to roads, bridges and highways. This would be a process that follows the legislation that's been enacted in both Manitoba and Saskatchewan.

For too long, spending by ministers, ministerial staff and senior civil servants has had too little transparency and accountability. Posting ministerial staff and senior civil servant expenses and travel online every quarter would improve this situation. This applies equally for grants and contributions, which should be posted quarterly for each ministry, another process which is being undertaken at the federal government level and in Alberta currently.

Is there a clock, Mr. Chairman?

The Chair (Mr. Pat Hoy): I'll give you a one-minute warning, as I do with everyone.

Mr. Kevin Gaudet: Okay, thank you.

Government spending is not limited to programs. Each year, billions of tax dollars flow through crown corporations with little transparency or accountability. Mechanisms must be introduced to strengthen the protection of these funds. Annual reports should be released directly to the public, with no interference from political ministers, within three months of the fiscal year-end. As well, like publicly traded companies, crown corporations should be required to hold annual public meetings.

As you prepare your 2008-09 budget, you should keep in mind that the money you're planning to spend comes from taxpayers. It should be guarded jealously and treated respectfully. We hope that if you implement these recommendations, you will start to move Ontario forward for taxpayers who have been left behind for too long.

Thank you. I'd be happy to take any of your questions.

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning goes to the official opposition.

Mr. Tim Hudak: Mr. Gaudet, thank you very much for the presentation. Good to see you again. Thanks for making the trip to London as well to visit with the committee.

You make an outstanding point on pages 8 and 9 of your presentation, particularly about the rate of growth of government spending. You have a table called "A Mountain of Government Spending," which shows that the Ontario government is 31% larger than it was five years

ago. Dalton McGuinty justifies the so-called health tax by saying he needs the money. Do you think that's borne out in figures?

Mr. Kevin Gaudet: Our economic analysis, which you can find on the last page of my report, does a costing analysis. What it boils down to, Mr. Hudak, is a question of priorities, of course, and as you can tell from my report, the priorities of the Canadian Taxpayers Federation are a little bit in divergence with those of the governing party at this point in time. Our analysis shows that the government has sufficient revenues so that it could immediately eliminate the health tax. Its current surplus is approximately \$2.3 billion, and with the substantial rate of growth of government revenues, there would be ample room moving forward to provide the elimination of that tax, especially if the government chose to put the reins on spending in other program areas.

Mr. Tim Hudak: As you've made the point well in the past, there has been at the end of every fiscal year a massive end-of-year spending spree, where the province tends to have \$2 billion to \$3 billion and more, and as opposed to reducing taxes or paying down debt, they spend it all. An important example of that was the \$1 million to the Ontario Cricket Association and that \$32-million slush fund. Do you have a recommendation to the committee with respect to end-of-year spending?

1310

Mr. Kevin Gaudet: The recommendations for end-of-year spending are that it ought to be illegal—it's a process that has been undertaken in Washington—except, of course, for an important exception, which is in areas of disaster emergency. It's a process that has been undertaken in Washington and has limited the rate of growth of government. The fundamental belief is that the tax dollars are better spent in the hands of taxpayers than in the hands of government. When governments make budget plans from year to year and then they choose at the end of the fiscal year in a March madness, if you will, to spend that money, few accountability controls are applied, as the Auditor General indicated—that it wasn't just the \$32 million that was a question in the so-called slushgate, if you will; it was actually between \$1 billion and \$2 billion of money that goes out the door. It's both money that isn't budgeted and has little accountability, and we would suggest that legislation precluding that practice would be in order.

Mr. Tim Hudak: One of your sections is, "No New Municipal Taxes." The McGuinty government, of course, has given the right to the city of Toronto to impose taxes in an assortment of areas. What's your view on rescinding that authority versus what some have said, to spread it out to other municipalities?

Mr. Kevin Gaudet: I believe there's a table in the document which elicits from our supporters at the Canadian Taxpayers Federation their interests on how to approach that. CTF supporters strongly suggest that the city of Toronto have taken from it its powers for taxation. As soon as the current mayor and council of Toronto acquired those powers and they came into force in early

January of this year, they've been running quickly to implement as many taxes as possible.

I'll remind you of a few of them. They've got the new land transfer tax, which duplicates the one we have at the provincial level; a vehicle registration tax, which duplicates the one at the provincial level; they have a new garbage tax. They've been considering things like a liquor tax, the new sidewalk tax by Adam Vaughan, a garbage bag tax, a battery tax. I'm sorry, I can't remember the whole long list—it's extensive—but they've been going crazy asking for new taxes.

I understand the Association of Municipalities of Ontario is preparing its report. It was supposed to be out early. Apparently it's coming out in the next couple of months, the date and time of which you may know better than I. It's widely speculated that that report may be requesting the authority for these taxing powers to be extended across the province. We look at Toronto as the epicentre for a tax quake and the concern, of course, is that that tax quake could have ripples across the province. We think that we'd like to see no other cities get those powers and that the province remove from Toronto its taxing powers.

Mr. Tim Hudak: On page 29 of your report, "Greater Accountability for Crown Corporations," you note that Ontario Northland, which runs a transportation system in northern Ontario, has not had an annual report issued in five years. The Lottery and Gaming Corp. is missing two annual reports. You talk about the problems there as well. I don't know if you had the chance to comment about the growth in a number of employees at the crown corporations. Do you want to elaborate a bit on the need of scrutiny in those?

Mr. Kevin Gaudet: I can't comment on the employee growth in all of Canada because I haven't done the analysis; I apologize. But with respect to the issue of the accountability of crown corporations, the concern, of course, is that there are billions and billions of dollars that are gone through the crown corporations—and aside from the fact that it's the law that these corporations disclose their annual reports, which I think ought to be sufficient reason for them to be disclosed, they're not. I have it on very good authority from individuals inside the OLG, for example, that the responsible minister and his office are involved in the writing of such reports, and I think that's an inappropriate practice.

There are a number of things that taxpayers don't get access to. For example, we don't know from the OLG how much money is at risk or has been lost by asset-backed commercial paper. You are all familiar, I'm sure, with the provincial write-down due to ABCP, and I'd like to know, for example, from that crown corporation or others. When you don't have annual disclosures like you do in publicly traded companies, we don't get access to that information, and that decreases the power of fiduciary reporting. The Sarbanes-Oxley rules that have been applied in Canada, or importantly applied in the publicly traded companies, aren't applying to crown corporations,

and I think there should be requirements to be changed to provide for them.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

COMMUNITY LIVING LONDON

The Chair (Mr. Pat Hoy): Now I call on Community Living London to come forward, please. You have up to 10 minutes for your presentation; there could be five minutes of questioning. I'd just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Jim Hewett: My name is Jim Hewett. I'm a volunteer member of the board of directors of Community Living London.

Mr. Barry Bates was supposed to be joining me today, but like most people we support, he relies on public transportation, and I think that's the reason he's delayed. He is a member of our New Vision Advocates and has been receiving services from Community Living London for the past 16 years.

Community living is something most of us experience naturally, as part of our daily lives. We live in communities, our children go to neighbourhood schools, we have the opportunity to work at real jobs for real pay and contribute as productive citizens. But for many people who have an intellectual or developmental disability, community living is a dream, an objective yet to be realized. Some still live in institutions—and although we recognize and applaud the current government for closing those institutions, some are still there. Others may live at home but with little connection with the community around them. As children, they may be segregated in classrooms in schools far away from neighbourhood children. As adults, they are largely excluded from the workforce. At all ages, many face physical and social barriers that keep them from participating in the social, recreational and economic world around them.

For more than half a century, Community Living has worked to bring people and their communities together. We support individuals as they develop their capacity to live, learn, work and participate in all aspects of living in the community, and we help the community develop its capacity to welcome and support people who have not always had the same opportunities as the rest of us to participate in community life in meaningful, productive ways.

The direct service and support we provide is essential for many individuals and their families. Others simply need social or attitudinal barriers dismantled to enable them to make their way in the community. In both direct and indirect ways, supporting people to contribute and participate makes good economic sense and produces communities that are vibrant and strong. It's also the right thing to do.

Today, Mr. Bates—if he was here—and I have three key messages to present to you which deeply impact the lives of people with intellectual disabilities and their

quality of life and the work of Community Living agencies all across Ontario:

There is a need for the government to increase ODSP income support—it's very interesting that I'm following the taxpayers' federation;

In order for Community Living agencies to continue the delivery of quality supports and services, the government must follow through on the commitments made to date to increase resources to the developmental services sector;

Finally, the government must commit to continuing the current process of transformation in the developmental services sector, based on the consultations it has had with the public since 2004.

I was going to turn it over to Mr. Bates and let him tell you a little bit about his life, but I'll give you a little snapshot.

First of all, I wanted to thank the minister for the efforts—

Mr. Michael Prue: Mr. Bates is right here.

Mr. Jim Hewett: We're running behind. I'm going to let Barry talk at the end.

I want to speak to the message of providing quality supports and services.

We all rely on the support of others to live our daily lives in the community. For a person who has an intellectual disability, the need for personal support may be greater than for others in society. Often, supports are needed beyond those that can be reasonably provided by family and friends, and typically, people rely on government-funded programs and supports to address these extraordinary needs. Without these additional supports, people are unable to participate fully in community life, their opportunities to participate as effective citizens are reduced, and in some cases their personal safety is put at risk. We, as a society, must ensure that supports are provided in an adequate fashion to ensure that people who have an intellectual disability are able to enjoy a reasonable quality of life.

1320

The average wage paid to workers who provide support to people who have an intellectual disability is approximately 25% below that paid to workers doing similar types of jobs in other sectors in Ontario. Workers who are not hired by an agency but who work directly for a family are typically paid far less again, often in the \$10-an-hour range.

In the 2007 provincial budget, the government committed \$200 million over the next four years to improve support to people with intellectual disabilities. In response to labour unrest in the sector through the summer, the government agreed to bring forward the 2% committed to address the wage gap in the fourth year of the budget commitment and to provide it to agencies this year. This provided a total of 6% on average to agencies in 2007-08.

In September, the Ministry of Community and Social Services reported to the developmental services agencies that it would be providing agencies resources necessary

to give front-line support staff a wage increase of \$2.40 an hour over the next three years.

What is the impact of these increases? In three years, the government could reduce the current 25% wage gap to approximately 17%. In the meantime, enrolment in developmental service worker programs at Ontario colleges is dropping and some programs have been suspended as more people choose career paths that promise a more reasonable living wage. The turnover rate for workers in this sector is more than 22% annually. Agencies like Community Living London are being asked by the government to expand services to accept individuals moving out of institutions. In order to fill this commitment, we need the government to continue addressing the wage gap. Quality supports and services require a committed response from the government to the workers who deliver these supports.

Our third message today is to urge the government to continue the transformation of supports and services. Our society has increasingly come to understand the right of people who have an intellectual disability to be included in our society. Likewise, people who have an intellectual disability are anxious to take part in society as fully participating citizens. Ensuring such inclusion demands that adequate levels of government-funded supports and services are available for individuals and families as they pursue meaningful and productive lives. Likewise, we need to ensure communities have the capacity to respect and support individuals' needs and goals.

The last time the government of Ontario undertook a comprehensive planning initiative regarding supports and services for people in this sector was in 1987—known as Challenges and Opportunities. The initiatives rolled out under the plan did not envision the extent to which societal and individual expectations would move towards full inclusion. In addition to the changing expectations with respect to inclusion, there's a growing demand for new supports and services in the province because of the growing and aging population.

In 2004, the ministry announced a plan to transform services for people who have an intellectual disability to reflect current expectations and to ensure that supports continue to be equitable and responsive to people's needs. A plan for the future of supports and services based on these consultations is expected later this year.

Here in London we have a waiting list of 254 individuals who need supports and services. Many of these individuals depend on their aging parents for essential day-to-day supports. On December 18, the mother of a man with Down syndrome in his 40s was interviewed on the CBC Radio show Ontario Morning. Frustrated with waiting lists and fearing the future her son will face when she is no longer able to provide supports to him, she stated, "If I'm going to die first, I'm taking him with me."

At Community Living London, we have an emergency space in our respite services to provide relief to families who are in crisis. This emergency space has been occupied by the same young woman since Christmastime

when her exhausted mother could no longer provide essential supports at home.

These examples highlight the need for ongoing dialogue with the public and a commitment to a process of community planning. The transformation of developmental services must not be seen as a one-time exercise but a commitment to ongoing planning. Furthermore, the transformation plan must be backed with a financial commitment that looks beyond band-aid solutions to emerging crises.

I will now turn it over to Barry for a minute.

The Chair (Mr. Pat Hoy): We have about one minute left.

Mr. Barry Bates: Hi. I'm Barry Bates. I thank everyone for giving me the opportunity to speak to you today. I would also like to thank the ministry for closing institutions at the present time.

I work at three jobs, and because I work at three jobs, a lot of the people I work with earn minimum wage over and above what I make. Because of that, I earn less because of the clawback of ODSP. Also there's—

Mr. Jim Hewett: Barry's not able to save money or live above the poverty line. His ODSP benefits remain more than 18% below what is needed for people to live above the poverty line. I think the big thing for Barry is that having a disability should not be a sentence to poverty.

Do you rely on a food bank sometimes?

Mr. Barry Bates: No, I don't, but I know those who do and I feel it's not fair that they have to do that.

Mr. Jim Hewett: What about a bus pass?

Mr. Barry Bates: I feel that most clients don't earn enough for a bus pass because of what ODSP pays them.

Mr. Jim Hewett: So you'd like to appeal to the minister to allow people who are working and receiving ODSP to earn enough to enable them to live above the poverty line?

Mr. Barry Bates: I would like to see people earn more off their paycheques or ODSP so they wouldn't have to go without each month.

Mr. Jim Hewett: Thank you, Barry. We'll take any questions.

The Chair (Mr. Pat Hoy): Thank you very much. The questioning will go to Mr. Prue of the NDP.

Mr. Michael Prue: Thank you very much for the submission. I have questions, first of all, about the ODSP rates. We have had people here suggesting that there be a 40% increase, we've had people suggesting there be double-digit increases. The lowest I've heard is 10%. Do you have any recommendations on what kind of increase there should be in this budget year?

Mr. Jim Hewett: In this particular budget year—I mean, we're still looking to just catch up to where we started in the early 1990s—we're looking at about 18%. That's where we need to get just so we're at the same level as we were in the early 1990s.

Mr. Michael Prue: In 1993.

Mr. Jim Hewett: About 1993.

Mr. Michael Prue: I find the entire practice of the clawback to be morally reprehensible, I really do. There are some who have suggested in the past that people should be allowed, if they are on ODSP, to earn up to at least the poverty level. In this case, the first \$7,000 that you earn would not be clawed back. Is that a reasonable thing or should we end the clawback entirely?

Mr. Jim Hewett: I think it's very reasonable because the cost of living for an individual on ODSP—individuals we support—is extremely high. One of the big things we talked about is bus passes. For an individual on ODSP it could be 10% of their monthly allowance. Unfortunately, unless there's a medical reason, ODSP does not cover bus passes. Yet it's public transportation. We have gone to the city here for the past five years and asked them to help us with that and they say that is a provincial responsibility under ODSP; that is not a municipal responsibility.

Mr. Michael Prue: If the government wanted to help those with a developmental disability who are on ODSP, or in fact any disability, would you advocate the combination of an increase in ODSP to reflect 1993 standards and a commitment to end the clawback to allow people to at least keep money up to and including the poverty rate?

Mr. Jim Hewett: Yes.

Mr. Michael Prue: Those two things would be enough?

Mr. Jim Hewett: Those would be enough to get us going. What we'd require in the future is for ODSP to be increased at the rate of inflation.

Mr. Michael Prue: After that?

Mr. Jim Hewett: Yes.

Mr. Michael Prue: Okay. Not before that, after that?

Mr. Jim Hewett: After that, to get us up to the 1993 point and then the rate of inflation after that.

Mr. Michael Prue: I'm particularly worried too that people do not see a career in terms of helping those with developmental disabilities. I know that many of the schools have cut back the courses because nobody wants to take them. In fact, people don't want to work in the industry, not because they don't want to help, not because they don't think it would be rewarding, but the financial remuneration is abysmal.

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Mr. Jim Hewett: It is. That's why we're not able to get developmental service workers in this sector, why it's very difficult. As we transition people from the institutions out, we are going to require more of them, not fewer of them. And yet those people who are currently working in the institutions may choose not to stay in this sector at all. So it's going to be very difficult for us.

Mr. Michael Prue: I understand that the people who work in the institutions now—they're OPSEU members—make around \$20 an hour.

Mr. Jim Hewett: Currently they make about 25% more than what they do in our sector.

Mr. Michael Prue: And that's what the worry is, because if they go into your sector out of the institution, they can expect about a 25% drop in pay.

Mr. Jim Hewett: That's correct. Now, with the adjustment that's being made, it'll come out to about 17%, but it still means that you're taking a major drop.

Mr. Michael Prue: I guess that's in part why some of the unions and the people are attempting to keep the centres open.

Mr. Jim Hewett: Oh yes. Barry lived in an institution for years and now he lives on his own. He lives in an apartment, in supported independent living.

Mr. Michael Prue: Remarkable, then. I think those will be my questions. Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

FRIENDS OF CAPTIVE ANIMALS

The Chair (Mr. Pat Hoy): Now I call on the Friends of Captive Animals to come forward, please. Good afternoon. You have up to 10 minutes for your presentation. There could be five minutes of questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard.

Ms. Vicki Van Linden: My name is Vicki Van Linden, and I'm representing a community group called Friends of Captive Animals. Thank you for letting us speak today. Friends of Captive Animals is a local group, and we are concerned about the treatment of thousands of wild animals confined in zoos and private collections here in Ontario.

We appreciate the commitment this government made in 2007 to regulate roadside zoos by mandating humane standards of care for captive wild animals. These new standards are urgently needed, as currently animals are poorly protected by the OSPCA Act, which was written in the 1950s. The way society views the status of women and children, for instance, has changed dramatically since the 1950s, and our understanding of the needs of animals has changed also. Unfortunately, the laws have not kept up with these changes.

Let's look at two important aspects of the new regulations that have been promised: Who will enforce these new regulations, and how will this enforcement be paid for?

First, let's look at why this legislation matters, as this explains why its enforcement is worthy of being included in the provincial budget. Previously, the lack of legal protection for captive animals has contributed to a negative image of Ontario; caused animals to suffer greatly in substandard conditions; put surrounding communities at risk due to possible escapes and disease transmission; placed additional burdens on municipal services such as animal control staff; harmed the environment due to fecal waste; and may have had a negative impact on tourism.

Here in London, we've received negative attention when a local zoo was criticized internationally for keeping a kangaroo in a small, barren pen. A headline in an Australian newspaper read, "Kangaroo's Cruel Canada Prison." I think that's hardly the kind of image we're trying to portray of ourselves. A recent allocation of one-

time funding by our provincial government to address these issues was a significant step, and we hope this good start will be followed up with a commitment to ongoing funding to enforce the new standards.

In the current system, the responsibility to protect captive animals is divided between the Ministry of Natural Resources and the OSPCA. Let's look at how this is divided. First, we'll look at native animals. The MNR has some jurisdiction over native animals, but is only mandated to ensure that the most basic of needs are met. MNR officers are not able to protect animals from the many forms of suffering caused by lifelong confinement in small pens and cages.

Currently, there is a licence fee to keep native wildlife, but it is only a token amount of \$100 and does not make a significant contribution to the real costs of overseeing these facilities. The OSPCA can act on behalf of a native animal only in cases of extreme cruelty or neglect. For instance, if a wolf or coyote is being beaten or starved, then the OSPCA could assist that animal. But under current laws, animals can be housed in conditions that dramatically fail to meet their social, physical and psychological needs. Often these animals suffer great distress, which can lead to destructive behaviours like repetitive rocking, bar-biting, pacing and self-mutilation.

Now let's look at exotic animals like monkeys and tigers. The MNR has no jurisdiction over these animals at all. The OSPCA is responsible for their protection, but operates under an outdated definition of "cruelty" whereby an animal can be in significant and ongoing distress and yet the OSPCA officer is unable to help. There is no licensing at all required for the keeping of exotic animals. In most areas, you must have a licence for pet dogs but you don't need a licence for a tiger, a lion or a cougar. Only very basic shelter, food and water are mandated and there is no formal inspection program to guarantee that even these basic needs are met.

The good news is that our provincial government has promised historic changes to this sad situation during this parliamentary session.

Who will enforce these new regulations and conduct inspections? We recommend that one service only must be empowered for all aspects of enforcement for both native and exotic animals. It will be more economical to have just one inspector, with jurisdiction over all species, visit facilities to enforce the new regulations.

The mandate of the MNR does not include non-native animals, so they would not be the service to take over these combined inspections. OSPCA officers are already trained to protect animals and the OSPCA is overseen by the Ministry of Community Safety and Correctional Services but, unfortunately, it is not fully funded by this ministry. This gets to what some of the problems are.

Animal protection services are now funded partly by donations. The OSPCA does receive some funding from the province, and this was recently increased. However, protecting animals from cruelty and neglect is really a branch of policing, and a responsible society like ours should not leave any form of policing to be dependent on

donations. The OSPCA will need an increase in staff and funding to enforce the new regulations, and we ask that an ongoing increase to the funding of the OSPCA be included in our provincial budget.

However, the tax base should not be the only source of funding. A system of licences and fines can make a real contribution to the cost of enforcing the new regulations.

These are our recommendations:

(1) Licences should be required for everyone keeping captive wild animals. An animal that is in a private collection needs protection just as much as an animal in a zoo. Therefore, inspections should be required in both cases, and the licence fee should reflect the real cost of the inspection. True animal sanctuaries must be exempt from these fees as they provide a public good. They should be inspected, however, as transparency helps to protect captive animals. We will need to clearly define what constitutes a true sanctuary, and we've outlined how to do that in the handout.

(2) The enforcement officer should be empowered to write tickets for violations and to assign fines. We suggest that the OSPCA Act and other legislation contain penalties for various offences, such as lack of proper shelter or not providing clean water. If an officer notes a violation, then a follow-up visit will be required to see that that violation has been corrected, and the fine for this violation should contribute to the cost of the follow-up inspection. It's essential that inspectors have legal status to write tickets themselves. If they have to apply to another level of policing to have a ticket issued, the enforcement program becomes more costly.

(3) There should be a tax on the breeding of wild animals. Breeding is commonly done in zoos to provide a constant source of infant animals. Infant animals are used to draw in the public, but quickly become surplus adult animals. It is inhumane to discard or kill adult animals just to make room for new babies. It's also unfair for these animals to become a financial burden to the taxpayer or animal welfare charities. It's only fair that the people who are responsible for their birth carry more of the cost of their protection.

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This system of licence fees and fines will help to relieve some of the need for public financing but will not eliminate it. We believe it is just and fair that a progressive society like ours use public money to actively prevent cruelty to captive animals. We show the world our character by our policies and our public actions, and if we fail in this, we will portray ourselves poorly on the world stage.

Your government has already made significant steps in correcting this embarrassing situation. We encourage you and your government to continue this good work for the sake of public health and safety as well as the welfare of captive wildlife.

Thanks for this opportunity to speak with you today.

We just have a few images of captive animals in Ontario. Please take a moment, look at their pens, and look into their faces. The final image is of a wolf in a

progressive European zoo, and I think you may see a difference in the demeanour of the animal.

Here we have Tyson, the famous kangaroo that disappeared from the local zoo. This is the kangaroo that received international attention because his pen was so small he wasn't able to hop, which is his natural movement. We see that he's on bare ground; he doesn't even have grass to move on. This was Tyson's entire existence. He has now disappeared, and we believe that he's dead. We offered to purchase this animal and take him to a sanctuary, but we weren't allowed to do that. The owner of the animal simply has refused to say what has happened to him.

This is a Barbary ape from the Lickety Split Zoo. If you can see, this animal is all alone. See its little cage? That's not much of a life or a world. This type of animal is very, very social. Even the males contribute to the rearing of the young. So this would be as difficult a life as possible for a very social animal.

This is a native fox, and again, this is its life. This animal would normally move over many, many acres of territory each day, but this is its life.

This is a small monkey, I believe a capuchin monkey. This is a small primate, again from the Lickety Split Zoo. You can see the look on its face. I think you can see despair. It's kind of hard to see on the image, but there's a lot of suffering in that face.

This is the Barbary ape again.

This is the small monkey.

Another canid—we believe it's a fox.

This is a picture of a wolf taken in a progressive European zoo. You can see the demeanour of the animal. It's calm. It may be happy. We want zoos like that here in Ontario.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning goes to the government and Ms. Aggelonitis.

Ms. Sophia Aggelonitis: Thank you, Ms. Van Linden, for that presentation. Also, thank you very much for acknowledging our government's commitment to regulate roadside zoos, as well as the funding that you received to address the issue.

This committee is the standing committee to make some recommendations to our Minister of Finance. What kind of numbers can you give this committee that we can bring back to the minister?

Ms. Vicki Van Linden: I tried very hard to get those and had a long conversation with someone from the Ministry of Natural Resources, and I was just told that it's too premature. It's only a rough guess, from numbers that I've worked out, that we would probably need at least five additional humane officers in the field to enforce these regulations. Again, I've attempted to get these numbers, but it's my guess that, including training, vehicle and everything, it costs roughly \$90,000 a year to put a humane officer in the field. I know that seems a bit high, but it really isn't if we look at the overall provincial budget and the fact that we are lagging very far behind other developed nations in the way that we protect animals like this.

Ms. Sophia Aggelonitis: Would you like to expand on the true cost of inspection?

Ms. Vicki Van Linden: Yes. I received a bit of an estimate from the World Society for the Protection of Animals, and in a smaller facility such as Lickety Split Zoo here, they estimate that the cost of an inspection and a follow-up would be maybe \$400. Now, some facilities are much larger, and in some facilities—for instance, a zoo that is in the Ridgetown area—it would probably take an entire day to do that inspection. So it's harder for me to assess that kind of fee, but I think it may be at least a couple of thousand dollars.

Ms. Sophia Aggelonitis: Thank you very much for bringing your passion here today. No more questions.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

LONDON CHAMBER OF COMMERCE

The Chair (Mr. Pat Hoy): The London Chamber of Commerce. Good afternoon. You have up to 10 minutes for your presentation, and there could be up to five minutes of questioning. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr. Gerry Macartney: Certainly. I'll come back to the microphone in a second. I'm Gerry Macartney. I'm the CEO and general manager of the chamber of commerce in London, Ontario.

Mr. Chirag Shah: My name is Chirag Shah. I'm the president of the board of directors here at the London Chamber of Commerce.

Ms. Kadie Ward: Kadie Ward, director of marketing and communications at the London Chamber of Commerce.

Mr. Gerry Macartney: Thank you, Mr. Chair and ladies and gentlemen, for the opportunity to present the views of the chamber of commerce. I will not spend time—I hope by now you all have a copy of this that's been handed out to you.

We are a membership organization, as I am sure you're aware chambers are. We have 1,000 member firms that belong to the chamber, some 2,000 representatives here in London representing some 60,000 employees. So we have a large constituency here in London and we act as the voice of business on their behalf.

There is a lot of information here today that we believe will be echoed—if you haven't received it already, you soon will—from the Ontario Chamber of Commerce having to do with new strategies in Ontario. It's not my position to read those to you today. Certainly, you can read them at your leisure and you'll get them again from the Ontario Chamber of Commerce.

We want to really talk about three things that we believe are vitally important for London's situation.

The government of Ontario last year, we believe, did a great job in helping us with the business education tax, and we want to thank the government for that right upfront. The efforts that the McGuinty government put through last year in reforming the business education tax

will enable London businesses to appreciate about \$32 million worth of savings between now and 2011. Budget permitting, and if you can see your way clear, if that could be accelerated in any way, that would really boost commercial activity in Ontario. So we're quite delighted to get that kind of break. If it could be moved along a little quicker, that would be even better.

Three things on the budget front going forward: I think you know, and you probably had presentations from other chambers and the city of London earlier today, that we need a new deal for municipalities. We need you to work with the feds and make sure that we get the kind of funding that municipalities need in order to offset some of the deficiencies that we're seeing right now in our budgetary process. You can do that in a number of ways. We've outlined that for you in terms of tax reform, health care reform etc.

The other thing that we're really desperately seeking help with is infrastructure. You know, if you've read the newspapers across Ontario, that London has had a particular issue with its underground infrastructure. We're talking the sinkhole, if I can use that expression. That's just one of a number that we anticipate happening underneath the roads of London, Ontario. I guarantee you those same situations are going to happen across Ontario in municipalities from Windsor to Ottawa.

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A \$123-billion deficit in infrastructure is not going to go away quickly, and although we appreciate the \$1.4 billion that's being dedicated to infrastructure, we fear it's not enough. So we need to work strongly with the federal government to make sure that we get the kind of funding necessary to offset that infrastructure deficit. We believe, in the chamber of commerce network, that infrastructure is the highway on which commerce travels. If we don't have that strong infrastructure, we're not going to have much commerce going on, and without much commerce, there's not much activity in the province of Ontario.

The third thing we'd like to chat with you about today is the debilitating effect that the arbitration process has on negotiating with our emergency services. In London, Ontario, we've experienced an approximate 28% increase in the cost of those emergency services just in the last four years. Some of you have been councillors, I know, in various municipalities throughout the province. It's very difficult for the council and administration to reconcile those kinds of costs when they're out of their control. Regrettably—I don't mean to insult our good friends from Toronto—quite frankly, those are Toronto problems. So when it comes to negotiating things like retention pay and other things in the Toronto police force or their fire department, we respect those issues and we understand what those issues are for Toronto, but they're not our issues and they're not issues for Ottawa and they're not issues for Windsor or Cornwall or Barrie or any other place. We have lost, I think, two officers in both those departments in the last seven years due to moving to other communities or attrition. We don't have

that issue, yet the arbitrator determines that if it's good for Toronto, then everyone must get that. Of course, when we target our local budgets to come in at 3%—Khalil, you're familiar with this—or less for our property taxes, yet emergency services are coming in at 6%, 8%, 9% per year, it's very, very difficult to balance the books.

We leave you with those three thoughts. If you could help us get a new deal for municipalities, help us, along with the feds, get some money for infrastructure to keep our cities running and our streets from collapsing, and also look at reforming the arbitration process in Ontario, we'd be forever grateful.

The Chair (Mr. Pat Hoy): Thank you for the presentation. We'll go to the official opposition. Mr. Hudak.

Mr. Tim Hudak: Thank you very much for the presentation and the brief to go along with it.

On one of your main points, the relationship between the province and municipalities when it comes to locally delivered programs, as you know, the McGuinty government gave the city of Toronto new taxing authority in areas like parking, alcohol, hospitality, tickets, land transfer tax etc. Is it your view—and some have made this case—that taxing authority should be given to other municipalities like London?

Mr. Gerry Macartney: Although we haven't studied this to any great extent, we share the views of our local mayor, Anne Marie DeCicco-Best, who would say to you in candid terms, "No, thank you."

Mr. Tim Hudak: In fact, I oppose this and I voted against that measure. Aside from "No, thank you," what would the impact be on business if municipalities were given new taxing authority?

Mr. Gerry Macartney: It's hard to say because we don't have it, but you can speculate that if every municipality has broader taxing authorities, municipalities will tax where they feel they can get the tax from. Unfortunately, there's an imbalance that already exists in the province of Ontario insofar as who pays what for taxes. The very reason that we had to rebalance the business education tax was because it was unbalanced before—too high a proportion of that tax being paid by business and commerce, too little by residents. The same applies for development charges in most municipalities, sewer and water charges etc. There's a disproportionately high amount being paid by business, and business will argue back, "While we're happy to pay our share"—and we truly are—"we don't use the pools and we don't use those other facilities that the average taxpayer pays for." That's where the imbalance comes in.

So I don't think there'd be much interest on the business community's part to see local jurisdictions having more taxation authority.

Mr. Tim Hudak: The main reason why the business education tax was as it was found was because of historic decisions by school boards. School boards put those taxes mostly on businesses, and they're higher in some areas than in other parts of the province. Some have suggested an approach should be to give school boards back the

ability to levy taxes on local businesses and residences. Do you support restoring that taxing authority?

Mr. Gerry Macartney: Same answer: not interested.

Mr. Tim Hudak: Competitive energy costs are obviously important—a historic strength in the province of Ontario. The current government's plan is to shut down about 20% of energy supply by closing down Lambton, Nanticoke, etc. Another approach could be to actually invest in cleaner technology to clean up those smokestacks and continue to benefit from the power rather than this notion of closing them down any time soon. What's your view on those types of investments rather than closing down these plants?

Mr. Gerry Macartney: It's been our contention—and we've articulated this to the Premier on a number of occasions—that we can't prematurely close down those plants unless we have good, clean supply to replace them with. That hasn't taken place yet. So, unless and until that happens, we believe that the technology is there to burn clean coal. I can tell you for a fact, because I worked on this situation for a number of years in Sarnia, that the \$450-million scrubbers in those two plants down there work and that the stuff that comes out of the stack down there now, where the scrubbers are, is actually cleaner than the ambient air around the plants. So the technology is there and it always has been; it's just the will for people to look at that kind of technology and allow it to happen.

Are there better forms of electricity that are cleaner? Yes, there are, but you're not there yet. Until we get there, I think we have to look at that supply because we're precariously close to not having enough supply. You all know about the brownouts and blackouts that we experienced; we don't want to go through that again. I would argue that there are other technologies that we haven't pushed forward fast enough or hard enough, and I would include energy from waste in that scenario. We have this sort of closed-mindedness in the province of Ontario that says we can't do that, yet in the rest of the civilized world there are all kinds of examples of energy from waste facilities that are far cleaner than any technology that we have in this country. We need to open our minds and our eyes up to that possibility.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee.

Mr. Gerry Macartney: Thank you for the time; I appreciate it.

The Chair (Mr. Pat Hoy): I'm advised that the Ontario Indian education councillors' association were snowed in yesterday and we don't know whether they'll make it here today, so we shall recess until one of the next presenters arrives.

The committee recessed from 1356 to 1416.

ABORIGINAL INSTITUTES' CONSORTIUM

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will come to order. We're very pleased that our 3:30 presenter is here, the

Aboriginal Institutes' Consortium. You have 10 minutes for your presentation. There could be five minutes of questioning after that. I would ask you to identify yourself for our recording Hansard and then you can begin.

Ms. Lu Ann Hill: Greetings to all of you. My name is Lu Ann Hill, and I work for the Aboriginal Institutes' Consortium. The consortium is a group of First Nations-controlled-and-owned post-secondary institutions that operate in Ontario, in communities from Akwesasne in the east, near Cornwall, through to southwestern Ontario. The closest one to here is Anishinabek Educational Institute, which is delivering programming in the Muncey-Delaware First Nation. We have locations in North Bay, Thunder Bay, Manitoulin Island, Fort Frances and up to Kenora.

Our institutions deliver more than 150 different programs to 4,000 learners per year. The enrolments are steady, and at one point in time, we experienced a 92% increase in enrolment over a five-year period.

I mentioned that we deliver programming from east to west, and a little bit north. We have a number of campuses for the eight institutions. Plus, we deliver programming in locations in between those campuses. What we do is take our programming to where the students are located. That could be on reserve or concentrated in communities off reserve.

Our institutes are focused on student support, and they have achieved up to 98% success rates. Our students are mostly mature women with family responsibilities and jobs. We service a population that isn't being serviced by mainstream institutions. Many of our students will not leave their communities to compete for space in mainstream institutions.

Why are we so successful? Because we have small class sizes, culturally enriched learning environments, relevant curriculum, and faculty that address aboriginal learning styles.

We deliver our programs largely through alternative, intensive-mode delivery formats, outside of the full-time, day-to-day programming that you would get in many colleges and universities, because we're trying to address the needs of where the students are at and what they need at the time.

1420

The success of our institutions—and the oldest one, which has been in the news lately, actually, has been delivering programs in Ontario since 1985—has been recognized by both the provincial and federal governments. Our institutions have been receiving provincial grants on a year-to-year basis from Ontario since 1992.

What are our challenges? Our aboriginal communities, whether on reserve or off reserve, have an increasing number of needs as far as education and training programs; that's the number of programs and the breadth and variety of programs. The largest challenge is our institutions were not created by government and therefore they're not formally recognized and so not supported by government like colleges and universities. In effect, there is no source of adequate and sustainable funding any-

where. Our institutions operate on year-to-year funding from the federal and provincial governments.

Ontario established an aboriginal education and training strategy in 1991. This is the pot of money that aboriginal institutes rely on for core funding. Without this funding, there is no funding. Criteria to access this funding for aboriginal institutions say that you must create a partnership with a mainstream college or university. This is to ensure the students have a credential that's recognized by employers and by other provincial institutions. But in doing so, our institutions are placed at a very disadvantaged and subservient position to the colleges and universities. What happens is students are jointly registered as a rule, but because Ontario has a student application process, all of our students apply to this process, which means their tuition is paid to the partner college or university. It doesn't necessarily mean that the tuition that the student pays goes to the aboriginal institution where the student takes programs and receives services. It's a conundrum for us.

As I mentioned, Ontario has acknowledged the success of our institutions. We were successful as a consortium to advocate and have the provincial government set aside a specific allocation of funding just for access by aboriginal institutions, so we ended up not having to compete for funding with colleges and universities. However, out of the \$6-million fund, as we all know it by, even right until 2006, \$5.2 million of the \$6-million fund went to colleges and universities as incentives to deliver programs and services to aboriginal students. They received these incentives over and above operating grants, special-purpose grants and their tuition funding. In our institutions, we rely on these grants. Until 2006, \$800,000 was available to eight aboriginal institutions in Ontario. That was the provincial grant funding. In 2006, that increased to \$1.8 million. In 2007, it increased to \$2.58 million for eight institutions.

It's difficult when we talk with the province—and I've been at this a long time. I've been meeting with our institutions since 1992 and I've been working with them since then, so I've had many, many meetings with the provincial government and the federal government over this issue. Still today, with the Ontario funding that comes to us, this year our institutions received as little as \$1,527 per student to deliver programs. One of the institutions received \$11,000 to deliver a full-time university program over the course of the year. I said to the ministry staff, "How did you think we were going to do that?" because they know we don't get the tuition revenues unless we're successful at negotiating that money back into our institutions and they know we don't get operating grants. The person said, "Well, I guess I just didn't think."

It's very, very difficult because we know, too, that in 2008 Ontario expects to support colleges and universities at \$9,669 per student. It's been a struggle all this time, and we ask, "When do we get to a point where there's fairness and equity?" We have students who would not

necessarily go to mainstream institutions; we have students who are not being serviced.

Even with these unfair partnerships with the colleges and universities—and mind you, there are exceptions. We have some very good advocates for our students and our institutions in colleges and universities. But overall, it's still a very unfair way to do business.

We've raised this issue with the Ministry of Training, Colleges and Universities over and over again, from at least 15 years back, and they're still allowing it to happen. I don't know that that's a very good use of public funding when we have to pay colleges and universities to have these partnerships. There are fees; they charge fees, whatever fees they can get from us. We, as aboriginal institutions, should not have to pay to be a part of the mainstream system. That's what we're asking.

What we're asking you to do—I believe you're in a position; I haven't found that other people are in a position to make this change. We need some real change to make this a reality. What happens at the community level is, we have a lot of students who want to go to school. They want to get educated and they want to get good jobs. We have aboriginal institutions that are ready to deliver programs and services. We've proven our success.

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Ms. Lu Ann Hill: Okay. We think we're a very integral part of Ontario's post-secondary system and we're asking for fairness and equity in funding and recognition. We're asking for an immediate removal of the cap on funding to aboriginal institutions; give us the same per-student funding as you're giving to colleges and universities. We're delivering provincially approved programs, the same as them. Work with the Aboriginal Institutes' Consortium to create a road map for the aboriginal institutions to access provincial funding. This was the recommendation of Ontario's review of the aboriginal education and training strategy. Follow up on it. Eliminate the unfair practices that exist in these partnership agreements. We asked the ministry to help and they're not helping. We ask that you take immediate action to end the jurisdictional volleyball that we get stuck in all the time. We go to the federal government for money for these institutions and they say, "We don't have responsibility for post-secondary. Go see the province." We go see the province, and the province was very adamant this summer to say to us, "Why are you at our doors? You should be going to the feds."

Like I say, at the community level, we just have students who want to get educated. We have students who want to go to school. We have institutions that are successful at that. So I'm asking for your help.

I also brought you—I see some of you leafing through it. We have started our own awards program and we have testimonials in here that I hope you'll enjoy from a student and a faculty member in each of our aboriginal institutions.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to the NDP and Mr. Prue.

Mr. Michael Prue: Thank you very much for your presentation. This is a conundrum, I think, that many people in Ontario have but ought not to have. In my view, and you can tell me whether you consider this wrong, people who live in Ontario of aboriginal descent, whether they live on or off the reserve, are Ontario citizens. Do you consider yourself a citizen of Ontario?

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Ms. Lu Ann Hill: I'm a First Nations person of a background that existed before Ontario, but yes, we do reside in Ontario.

Mr. Michael Prue: And if you live off-reserve, do you pay taxes to Ontario?

Ms. Lu Ann Hill: I do live off the reserve and I pay taxes quite regularly.

Mr. Michael Prue: Is there any reason, in your view, that the Ontario government should not treat all of its Ontario citizens exactly the same in terms of education?

Ms. Lu Ann Hill: In terms of education funding, I think they should be treated the same.

Mr. Michael Prue: You have not put an actual amount of how much you're seeking, but I've just tried to do the fast math. If your institute was given the same funding per capita as a college or a university gets for their students, you would be looking somewhere in the range of \$20 million to \$30 million. Would that be the range that would assist if you were treated the same?

Ms. Lu Ann Hill: That would be a start. What we look at is the per-student funding that goes to colleges and universities.

Mr. Michael Prue: What you said was average \$9,000?

Ms. Lu Ann Hill: Yes.

Mr. Michael Prue: And some as high as \$10,000. I know that some are less.

Ms. Lu Ann Hill: Yes, that's the average.

Mr. Michael Prue: So if you have 4,000 students, that would have to be approximately the range, if you were treated the same.

Ms. Lu Ann Hill: With equal funding?

Mr. Michael Prue: With equal funding. Are you looking for equal funding? I didn't hear that.

Ms. Lu Ann Hill: We're looking for equitable funding, yes.

Mr. Michael Prue: So who was it in the past, from the government, who told you to get away from the door?

Ms. Lu Ann Hill: The Minister of Training, Colleges and Universities.

Mr. Michael Prue: The last minister?

Ms. Lu Ann Hill: Yes, the previous minister.

Mr. Michael Prue: That would be Mr. Bentley.

Ms. Lu Ann Hill: Yes. That was in July. We had never heard that until that time.

Mr. Michael Prue: In the first few days of the government, the Premier established a new minister responsible for aboriginal affairs. Has there been any movement

whatsoever since he came along to undo what Mr. Bentley had heretofore said?

Ms. Lu Ann Hill: We have written letters, but we have not had a discussion about this issue. The other thing that complicates it is we wrote a letter to Minister Milloy at training, colleges and universities. We also wrote to Minister Wynne at the Ministry of Education, because they've now moved the aboriginal file from training, colleges and universities to the Ministry of Education. Because of the jurisdictional dilemma, we've also written to Minister Bryant.

Mr. Michael Prue: Earlier, in Kingston, we had Mr. Thompson come to see us. Is he part of your institute, or is he separate and something else?

Ms. Lu Ann Hill: First Nations Technical Institute is one of our institutions.

Mr. Michael Prue: Because I did see, the following day, an article in the *Globe and Mail*—quite a good article, actually—talking about the closing of the technical institute due to lack of funding. Are there any institutes or other groups that are being funded within the aboriginal community?

Ms. Lu Ann Hill: Institutions?

Mr. Michael Prue: Well, any other education—I mean, your group seems to be an umbrella group that Mr. Thompson's fits into.

Ms. Lu Ann Hill: That's right.

Mr. Michael Prue: Are you the umbrella group for all of the aboriginal institutions?

Ms. Lu Ann Hill: Yes. And our organization is actually mandated by the Chiefs of Ontario to negotiate with the federal government and the provincial government for these institutions.

Mr. Michael Prue: Okay. I think those would be my questions. Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee.

DIETITIANS OF CANADA

The Chair (Mr. Pat Hoy): Now I call on the Dietitians of Canada to come forward, please.

Good afternoon. You have up to 10 minutes for your presentation. There could be up to five minutes of questioning, and I would ask you to identify yourself for our recording Hansard.

Ms. Leslie Whittington-Carter: Good afternoon. Thank you for the opportunity to be here this afternoon. I'm Leslie Whittington-Carter, and I'm the Ontario government relations coordinator for Dietitians of Canada. I believe Mr. Short has distributed a one-page handout. I do have a more detailed document that I've actually e-mailed in, but I thought that for the purposes of today's brief 10 minutes, probably a one-pager would help you just concentrate a bit on the top messages, so I hope you find that acceptable.

First of all, Dietitians of Canada is the national association for registered dietitians. We are regionalized, so I am primarily with the Ontario section. We do aim to

be the voice of the profession, the voice of registered dietitians across Canada. Our priorities, as you can see, are:

- to be a credible and reliable source of nutrition information for the public as well as for other health professionals;

- to create standards and tools to help sustain the profession; and

- to be the voice for helping to design health systems for Canadians.

We've had very good relations with the government of Ontario in contributing to a number of initiatives related to nutrition.

What I'd like to bring to your attention today is the issue of access to the advice of a registered dietitian. I think most people would agree that a healthy diet and advice on what you should and should not eat is key to health. We have support in that through the Ministry of Health Promotion. As you know, the EatRight Ontario dietitian advisory service, which was launched last year, provides Web-based or direct phone links to registered dietitians so people can call in and get their nutrition questions answered by a registered dietitian. It has been very successful in its initial phases. The people who call in are very pleased with the advice that they are given. It's practical. Other health care professionals are very happy with the fact that this service is there that they can refer people to. Because there is such a lack of an outpatient counselling area for nutrition counselling or it's such a long waiting list, for general nutrition advice they're very glad to have this free service available. Other health care professionals take advantage of the service to get their own questions answered as well so that they can have credible, reliable nutrition information to pass on to their clients in whatever profession they're in.

The one thing I would ask for you is to preserve the access to this, ensuring that the Ministry of Health Promotion has sufficient funding to continue the EatRight Ontario program, and as well to make sure that there is sufficient promotion of it so that the public and other health professionals, as I mentioned, are aware that the service is there and we can build it up even more. It has been very popular to date, but we really would like to see those numbers of calls and hits on the website going up even more.

The issue of access to registered dietitians is really complicated by the fact that right now we have a shortage of registered dietitians here in Ontario. There are vacancies across the province that can't be filled. Some of those vacancies are in remote areas up in the north and you can sort of understand that, yes, there are difficulties filling vacancies in some of those remote and rural areas. But right here in London there are issues with filling positions for registered dietitians. Even in Toronto or any of the other urban centres there are issues with filling those positions. Right now on any given day you'll find 40 to 50 vacant positions being advertised on the Dietitians of Canada job database. Those, of course, are only the ones

that do get listed there. There are a lot of other vacancies that are not necessarily listed there but filled through networking and so on.

The problem really, we feel, is directly linked to the lack of internship positions. In order to become a registered dietitian, you complete a four-year honours graduate degree in foods and nutrition and then you apply to a dietetic internship. Right now there are around 87 positions in Ontario for dietetic internships, so it's a competitive process. People put in an application, go through interviews etc. It's quite competitive. Right now only about 50% of our graduates are able to attain internship positions, so that means that we've got another 50% who have completed a four-year honours degree and done that component of it but are not eligible to finish their training because they can't get into a dietetic internship. The last slide there just shows a bit of a graphical representation of our projection over the next few years of the number of graduates from accredited programs versus the number of internship placements that are available.

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Couple with that the fact that we have a number of retirements coming up. Many of our practising dietitians in Ontario are getting to the age where they want to retire, and based on workforce data surveys that we've done, we're predicting that around 300 to 400 in the next five years are going to leave active practice for retirement, so that's going to cause a lot of other pressures on it as well.

We've also got increasing opportunities: family health teams, the dietitian and nurse diabetes teams, as well as community health centres. There are growing areas, as well as private practice areas, hospital programs etc. There are a lot of opportunities, because the public is asking for nutrition information and they want to get it from the professionals, from the registered dietitians. So the shortage is here now, and it's only going to get worse.

What I'm asking the committee for is a recommendation that will support increases in dietetic internship placements, either through hospitals or through other consortiums. We have had a proposal that has gone through health human resources, and we may be pursuing it in other forums as well. But I do ask for your support in helping to achieve some sort of resolve to this shortage of registered dietitians.

I'd be happy to answer any questions you have about our profession or about the current issues that we're facing. Thank you.

The Chair (Mr. Pat Hoy): Thank you, and this round of questioning goes to the government.

Mr. Wayne Arthurs: Leslie, thank you for being here; an interesting presentation. I don't know a whole lot about the dietitians, in that sense—

Mr. Tim Hudak: Obviously.

Mr. Wayne Arthurs: Well, of course. Take a look. It's as good as it gets.

Just tell me, though, a little bit about the internship placements. Are they in the hospitals, primarily? Are they in private care? Presumably, the hospitals or who-

ever would have to request to have an internship program. I assume they would have to be funded to do that. Are the interns funded during the course of their time there? Because obviously that is where, I would think, some of the financial implications would fall into play.

Ms. Leslie Whittington-Carter: Well, primarily, although not totally, it is hospitals that have the internship programs, so they have to go through an accreditation process by Dietitians of Canada in order to ensure the internship program meets all the requirements that we want for entry-level practice. So, yes, the hospitals apply and get accredited and then they accept interns through this competitive process of selection.

Now, what happens is that, no, the interns are not funded, so the internship program is really being funded out of the hospitals' global funding budget. So there are obviously pressures on the programs themselves in order to have adequate resources to run an internship program.

The other thing that happens is, because the interns therefore are no longer affiliated with an educational institution but with the hospital, all the things about workplace placement, WSIB—they are no longer eligible for any sort of student loans. They in fact have to start paying back any OSAP. So there are all sorts of financial issues, really, that come down to the interns themselves.

Some of the internship programs do charge a tuition fee in order to try to recoup some of the costs of providing an internship program. When I interned, we got a small stipend as an intern, but that has long gone by the wayside. So most interns now actually do have to pay a tuition in order to attend and get this training opportunity.

Mr. Wayne Arthurs: You say approximately half of the graduates now can access an internship program?

Ms. Leslie Whittington-Carter: Yes. Approximately half of the people who graduate from that four-year degree are able to be placed in an internship program.

Mr. Wayne Arthurs: How many graduates are you talking about?

Ms. Leslie Whittington-Carter: Somewhere around 150 in Ontario. There's Ryerson, Guelph, and Brescia here in London that have the accredited programs in Ontario.

Mr. Wayne Arthurs: Specifically, then, you would probably want the province to provide additional or dedicated funding for internship programs to accredited hospitals, or accredited organizations.

Ms. Leslie Whittington-Carter: Yes, accredited organizations. Many of the hospitals have indicated to us that they're not able, given current resources certainly, to substantially increase the number of placements that they have available. Up in Barrie, we have a community-based internship program, so there are a few variations on the hospital model. But the hospital model, by far, is the most common in the province.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Ms. Leslie Whittington-Carter: Thank you very much.

ONTARIO FRUIT AND VEGETABLE GROWERS' ASSOCIATION

The Chair (Mr. Pat Hoy): Now I call on the Ontario Fruit and Vegetable Growers' Association to come forward.

Mrs. Brenda Lammens: It's a nice segue to have the dietitian speak before me, so now I can tell you about all the good fruits and vegetables that will keep Ontario healthy. Thank you very much for allowing me this opportunity to speak to you today.

My name is Brenda Lammens, and I chair the Ontario Fruit and Vegetable Growers' Association. I am an asparagus farmer in Norfolk county. It's good to see a lot of familiar faces around the table today.

Ontario's fruit and vegetable growers have been suffering through some of the worst financial times ever. The reasons, while complex, all result from one simple reality: high costs coupled with poor prices. Whether it is caused by foreign subsidization, global trading, retail store consolidation or the high Canadian dollar valuation, the fact is that produce prices in the Canadian market have dropped. That amount, according to the *Globe and Mail*, is 6.5%.

On the input side, however, our costs continue to escalate. The growing demand for oil worldwide has lifted the price to \$100 a barrel. The demand for biofuels means a push to greater productivity for corn and soy crops, with a resultant spike in fertilizer prices for potash and nitrogen. As mentioned above, the increase in the value of the dollar has meant a decrease in the price of goods coming into Canada, forcing much of what we produce down in price. All of these factors, coupled with the 25% increase in labour costs facing our growers over the next few years, call into question the sustainability of our very labour-intensive industry.

Unlike the service sector in Ontario, whose members compete against each other for the consumer dollar and do so based on similar cost structures and can, as a result, pass on cost increases to the consumer, our farmers cannot. They do not compete with each other but rather with multi-national corporations operating in countries that do not share our high level of input costs. Yet it is these foreign products that set the price for produce grown here at home. As such, our growers have no mechanism to recover additional costs.

Three years ago, the Liberal government established the greenbelt to preserve precious farmland for food production for generations to come, a commendable objective indeed but one that requires saving the farmer, not just the farmland, if its objectives are to be met. This dilemma is not just confined to the greenbelt; it's province-wide.

Self-directed risk management was developed in the mid-1990s as an answer to the concerns of growers who did not have access to an affordable, if any, crop insurance program. It met with favour from the farming community and served its purpose well. It was a form of crop insurance financed by both the grower and the govern-

ment. The agricultural policy framework, APFI, which was introduced for the 2003 crop year, stipulated that all farmers were to have access to CAIS or production insurance. After five years, this still has not happened and over 2,000 Ontario fruit and vegetable growers currently have no production insurance available to them. The provincial government recognized its obligation to the growers and extended SDRM for 2006 and 2007. However, there is no SDRM or production insurance available to several thousand of our growers for the 2008 year.

Without these tools, our growers are left to fight the perils of nature on their own at a time when they can least afford to do it. It is important to understand that these losses also erode the margins of their CAIS program, making it less effective—a double-edged sword, if you will. SDRM needs to be extended until such time as our growers have access to affordable production insurance programming that covers all the crops that we grow. Annually, the cost of the provincial share is about \$5 million.

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Agriculture has changed. As mentioned at the outset, the margins for primary production have been shrinking, and for much of the fruit and vegetable sector, everything is at an all-time low. Never has there been a greater need to enhance the value of our crops through some sort of value-retention or value-added activity. This is simple enough, yet when this happens, our growers' properties are often reassessed as commercial or industrial. This reassessment penalizes those who have taken the initiative to retain or add value, who by their own actions have created jobs to the benefit of rural Ontario, who by their actions have added dollars to their income, which means less demand on government-funded safety net programs. The probability of reassessment, however, discourages others who see an opportunity to enhance their income but ask why, if that opportunity is only going to be taken away through increased taxation. It needs to be remembered that often these facilities are used to add or retain value for several weeks out of the year, yet they are taxed as if they were used 365 days of the year.

The government is to be commended for its actions this past year with regard to production facilities and the retail sales tax, but it cannot stop there. We ask that the ministry address the issue of retail sales tax on bunkhouses and, as well, the entire issue of unfair municipal taxation, by working with MPAC, the OFA and ourselves to develop and accept an updated definition of agriculture and agricultural processes. A proper definition will enable MPAC to do their job more effectively and reduce the time and cost of appeals. It will also send a strong message that the government of Ontario supports its farmers and encourages them to find new ways to enhance their income. Failure to do anything will simply increase the demand on ad hoc safety net programs.

As just mentioned, agriculture has been caught in an enormous cost/price squeeze. In this regard, horticulture is no different than grain and oilseed farming, but where

we are different is in our use of labour. According to Agricorp figures, labour amounts to about 6% of sales in the G and O sector but shoots up to over 25%, on average, in the horticultural sector, with a range of 15% to 45% of sales, depending upon commodity. Notice that I said percentage of sales; not percentage of expenses. On a tender-fruit farm, labour amounts to approximately 65% of their annual expenses. Any way you reference it, labour is a huge expense. By March 2010, our labour rates are anticipated to increase by some 28%. The increase alone will represent an additional cost to our farmers of about \$90 million annually—and that's an increase to what we're already paying—or 8% of our current farm gate value. This would not be serious if, like the service sector, these costs could be passed on to the consumer, but in our case there is no mechanism to do so. As mentioned earlier, it is not Ontario farmers who set the price for our commodities but, rather, the retailers, who often buy product from the cheapest supplier; and these foreign producers do not have the same input costs. Being caught in the middle between escalating input costs and reduced prices is obviously not sustainable.

We must enact, as was once done for the G and O sector, a horticultural RMP-like program that looks at costs and prices and will trigger a support payment to growers when the trigger level is met. Due to the diversity of crops and marketing mechanisms in our sector, it will not be easy, but it is, I believe, quite doable. If not, we will have to look at re-establishing the old edible-horticultural top-up to assist farmers during these struggling times.

Failure to act will mean the end of the fruit and vegetable industry in Ontario as we know it today. Earlier this month, CanGro announced the closure of two processing plants here in Ontario: one in Exeter used to process vegetables, as well as the last peach/pear canning factory east of the Rockies, situated in St. Davids. In addition to 300 to 400 direct job losses, there is no home for approximately 1,000 acres of clingstone peaches and about 900 acres of pears. In addition to these two plant closures, in the past seven months we have also lost the grape juice processing plant in St. Catharines, and the last sweet cherry briner east of the Rockies has also closed its doors.

Ladies and gentlemen, we live and work in a high-cost-of-production society, but as farmers and food processors alike, we cannot keep absorbing these high costs if we cannot recover these dollars from the marketplace. Failure to act, as mentioned earlier, will mean the end of our industry, and all of the good intent of saving farm land for future generations will be wasted. Furthermore, we will be forever dependent upon other nations, usually the cheapest producers, to feed us and the generations that follow. That is not a thought that I am comfortable with. Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will go to the official opposition, Mr. Barrett.

Mr. Toby Barrett: Thank you, Brenda, for your presentation on behalf of the OFVGA. You've indicated labour is 65% of the annual expense for tender fruit, and we're looking at an add-on of about \$90 million a year. I know in the debates a number of years ago on minimum wage we would look at Michigan, Ohio and New York state as competing and neighbouring jurisdictions. The world has changed in the last very brief years, and I feel we should be looking at the minimum wage in countries like China and India. I see cans of peaches from South Africa and Greece, for example. Any thoughts on that? Are we provincially not thinking globally, as we should be, as far as wage rates and competition?

Mrs. Brenda Lammens: Toby, I don't think that we have gone to that extent yet to be comparing with Third World countries, but we definitely should be because that's who we're competing with in the marketplace. It's not just minimum wage, it's also regulation on pesticide use and labour; not only in costs but also in the ethics of the labour that is being used. But yes, we certainly should be making that comparison.

Mr. Toby Barrett: Just quickly, the self-directed risk management, we seem to be caught—and all of that has wrapped up. There doesn't seem to be a replacement. As farmers, you would be trying to secure a type of insurance, like asparagus, for example. That's probably one of the earliest harvests, strawberries by June. What is the deadline for us to get something in place for insurance for these kinds of crops?

Mrs. Brenda Lammens: December 31, 2007.

Mr. Toby Barrett: Okay.

Mr. Tim Hudak: Mrs. Lammens, thank you very much again for an excellent presentation. You mentioned a number of things that are very dear and near to the heart of a good number of my constituents. The closure of CanGro is significantly impacting Niagara as well as across the province; the Exeter plant is closing as well. And you mentioned the sweet cherry processor and the loss of Cadbury Schweppes.

This means that a couple thousand acres, when you total up all of those areas that are currently in the greenbelt, will no longer have a market for their production. Effectively, this is the first test of whether the government is committed to the greenbelt or not. SDRM, while very helpful, and I'm supportive of that, won't be helpful if they have no market whatsoever for their products.

What do you think the province should do for these farmers who are now without a market because of these closures, who find themselves totally constrained by the greenbelt to do anything else?

Mrs. Brenda Lammens: About six years ago, the asparagus industry went through this very scenario. We used to have six processors in Ontario that processed asparagus and we got down to one, and then we ended up with a processor in Quebec who could not compete with landed product. It just wasn't feasible because the product that was coming in from South America was cheaper. At that time, just to share what happened to our industry, all of the processing asparagus ended up on the fresh

market, which distorted the price and the fresh market price was driven down. It was mayhem, and I can see in the tender fruit industry that this is probably what's going to happen. Even though these are processing varieties, they will somehow end up on the fresh market.

I guess the challenge has been put to us that maybe we need to be looking at someone to take over these canners. That's really not the job of the Ontario fruit and vegetable growers. Because we're such a diverse group, how can we look at doing that, as the pork industry is doing, trying to attract someone to come in and open up processing plants here for their industry?

How can the government help here when we don't have any production insurance? I guess that we're really under a lot of pressure right now to get some type of program developed so that realistically it can deal with the sustainability of our producers. In situations like this, if we did have an RMP program like grain and oilseeds, we probably could address this type of crisis. It certainly wouldn't take away all of the financial hardship, but it would help—which is better than nothing, which is what we have right now.

The Chair (Mr. Pat Hoy): Thank you for the presentation.

Mrs. Brenda Lammens: Thank you.

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LONDON DISTRICT CATHOLIC SCHOOL BOARD

The Chair (Mr. Pat Hoy): Now I call on the London District Catholic School Board. Good afternoon. You have up to 10 minutes for your presentation. We could have five minutes of questioning. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr. Tim Holmes: Good afternoon and thank you for the opportunity to address you today. My name is Tim Holmes and I am the superintendent of business and treasurer of the London District Catholic School Board. I'm joined in the audience by our director, Wilma de Rond.

We recognize and acknowledge that the education sector has been one of the favourite sons of the government and that this sector has, in the past few years, received significant additional funding so that we could achieve and deliver the goals of the government. We believe that together we have put the faith of the government and the additional monies to good use and that we can all take pride in the improvements we have effected in education. We have achieved improvements in literacy and numeracy and in learning generally.

But while we have all been concentrating our best efforts on improving learning, which of course is a very worthy goal, a demographic problem has become an increasing menace which threatens much of what we have achieved. That menace is called declining enrolment.

Coming from Scotland, 14 miles from St. Andrews and nine miles from Carnoustie—actually, the Royal and Ancient Golf Club used to be one of our audits—I often think in golf analogies. I liken the current situation to a foursome heading out on the auld course on a fine Scottish morning: The sun's shining, beating down; everybody's happy; they're having a great round. As a matter of fact, all four of them are having the rounds of their lives. But by about the 10th hole, the storm clouds start coming in off the North Sea—as they frequently do in St. Andrews, actually—and with each hole, the thunder and lightning get more and more threatening until you just know that the foghorn is going to go off any minute and ruin the best round of your life.

Well, I believe that the storm clouds have been gathering for the past couple of years and we have ignored them to this point, but the starter's hand is on the foghorn button and it will blow any minute.

This brings me to the brief presented to you today, which we would ask you to consider. The background to the situation, as you probably are aware, is the declining enrolment, and its wide-ranging effects on many aspects of educational funding are undoubtedly the most significant challenge facing Ontario's school boards today. It is now a reality at virtually every school board in Ontario, and a resolution of this growing and serious problem has now reached such urgency that many school boards face financial exigency if it's not solved.

We do need to upgrade benchmarks etc., but without some resolution of the declining enrolment problem it's unlikely that we're going to avoid program, service and staff reductions in 2008-09, which, as I mentioned in my introduction, I think would be indeed extremely unfortunate, because it would undo a lot of what has been achieved.

There are many effects of declining enrolment on the financial affairs of school boards, and the first one of course is on operations, because the grants for student needs—the famous GSNs, as they're now called—are primarily enrolment-driven, and even small declines in enrolment have a severe negative effect on revenues. Unfortunately, board expenditures do not follow the same pattern, as they tend to be fixed within certain blocks. Even though there may be enrolment declines overall in a board, the decline at the school levels is often less dramatic and does not allow boards to reduce some expenditures, principally the principal, teachers etc., to the same degree and in the same time cycle.

A very quick understanding would be that if a board like ours loses one student per class, which is minimal, the overall effect on board finances is very dramatic, but quite frankly, you won't be able to save any money, because one student less in a class in most cases will mean that you will not be able to reduce teachers.

I wouldn't like to suggest to you that there isn't a declining enrolment grant currently in place; there is. But unfortunately, it's totally inadequate to address the fact that most board expenditures either do not decline with

reductions in revenue or fall at a much slower rate than enrolment.

The effect of declining enrolment is also on our capital, on our accommodation grants and new pupil places. The funding for capital is really hit by two things: It's hit by declining enrolment, which reduces the grants that we have to do new construction, but it also reduces the board's ability to pay, over the 25-year life of debentures, the repayment of the capital cost. So we're hit two ways there.

There's also another problem, which is not really declining enrolment but is exacerbated by declining enrolment: the fact that the benchmarks for construction are totally—and I mean totally—inadequate. They have been increased once since amalgamation, whereas construction costs are rising by an average of—on page 3 of the document—4.25% per year. Some years have actually been higher than that, but on average that's what it works out to be. This is documented; this isn't hearsay. This is documented by the construction association. We found in our last few projects that when we go out on tenders, we are underfunded on the benchmarks by about 25%.

You can see that we don't get enough money per pupil, and as the number of pupils falls, there is what I call a double whammy. Those really are the problems that we face on the capital side. So if the capital funding is designed to provide permanent accommodation for all students, really it means that we do need some fairly drastic overhaul of the funding mechanism, including declining enrolment.

The first recommendation on page 5: The Ministry of Education has in the past acknowledged the significant and detrimental effects of declining enrolment on school board finances, yet has not taken steps to effect a long-term solution. School boards and the ministry must together address the long-term effects of the growing phenomenon of declining enrolment. It is a difficult problem; there's no question about it. It will take a lot of great minds to find a solution.

We must find a way to soften the blow of declining enrolment and allow boards to react to it within some reasonable time frame. There's no question that funding should fall when enrolment falls. Right now, we get compensated on average about 10%. We cannot cut 90% so that the 10% would be sufficient. So the board recommends the creation of a task force comprised of ministry and school board personnel, and anybody else who is willing to try to help us, to examine all aspects of the matter and formulate recommendations that will address the school board's concerns.

There is a second issue that's not related to declining enrolment, but again, it's exacerbated by declining enrolment: the cost of testing for lead in water, which is also in the brief. In 2007, you may recall that the Ministry of the Environment—i.e., a part of the province of Ontario's ministries—introduced amendments to the Safe Drinking Water Act, which, among other things, requires that school boards conduct annual testing for lead, which makes sense, and implement enhanced daily water flush-

ing protocols. That's where I believe the problem lies. No additional grants were provided to school boards. The cost of compliance will vary by school board, depending on their internal set-up. In the case of our board, our costs are about \$495,000 annually, mainly because of our staffing. Our staffing is pretty well fully utilized, and to add on a big load like this would cost us a pile of extra money.

In addition to the extra cost, the increased water consumption which is necessary for flushing has also raised environmental concerns for the public and local conservation authorities, who have raised questions about the increased consumption of this valuable resource. We estimate that we pour down the sinks every day the equivalent of six large swimming pools. We are probably pretty close to an average school board in the province. There are 72 school boards in the province. We operate 200 days, a bit more than that. Even taking 200, what we're talking about, on an annual basis, is pouring down our drains 3.28 billion litres of drinking water or three million cubic metres of drinking water.

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It's kind of an aside, the quantity of water, because that's not really why I'm here; I'm here to get funds for it. But I find it strange, quite frankly, with such a strong environmental lobby in Ontario, that this issue has not been raised.

The Chair (Mr. Pat Hoy): You have about a minute left for your presentation.

Mr. Tim Holmes: Actually, I'm quite prepared to wrap up now. Again, I thank you for your attention and I certainly welcome any questions.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning goes to the NDP.

Mr. Michael Prue: I just want to be clear on the flushing down of that six swimming pools full of water. Is that as a result of flushing or is that as a result of flushing plus old and leaky sewage pipes?

Mr. Tim Holmes: No, that excludes any loss—

Mr. Michael Prue: That's just the flushing.

Mr. Tim Holmes: Yes.

Mr. Michael Prue: Goodness. That's an awful lot of water to be flushed. Are they flushed every day?

Mr. Tim Holmes: Yes. Even Saturdays, when—

Mr. Michael Prue: How old are the schools that would still have lead pipe?

Mr. Tim Holmes: I don't think that appears to be the issue with the legislation. The legislation basically ignores that. It applies to all buildings. It doesn't matter when they were built and whether they have lead pipes or not.

Mr. Michael Prue: So even if there's no lead, you're required to flush the pipes every day?

Mr. Tim Holmes: Yes.

Mr. Michael Prue: Sorry; I was totally unaware of that.

Mr. Tim Holmes: Actually, I think you raised a very interesting point. I think most people are, quite frankly, unaware of the effects of this. Nobody would argue that

we should be careful about lead in water, because it can have an effect. All I can tell you is that even the experts won't publicly go on record, but they will, speaking one on one, indicate that they have some concerns about this whole issue.

Mr. Michael Prue: And there is a directive coming out of the ministry requiring you to do this each and every day.

Mr. Tim Holmes: This is the current directive, yes.

Mr. Michael Prue: Well, I think I know a way that the government can save millions of dollars, then, across the province.

Mr. Tim Holmes: But, quite frankly, you should be aware that the cost of the water is not the major part of the cost that we are claiming to be reimbursed for.

Mr. Michael Prue: Well, no. It would be the cost of someone coming in to do the flushing. Somebody would have to come in and turn on all the taps, go around the school, and then, when they're finished, go around and turn them all off.

Mr. Tim Holmes: That's correct.

Mr. Michael Prue: Okay. I think I know one recommendation to save some money. I could agree, if there was a test showing lead in the water, as an interim measure. But even in the long term, it would make more sense to get the lead out of the pipes, to replace those leaded pipes with safer copper or PVC pipes or something. Anyway—

Mr. Tim Holmes: It is a complex issue, though.

Mr. Michael Prue: Yes.

The second one: You made a very strong statement, and I wrote it down as fast as I could write it. "The benchmarks for construction are totally inadequate." I think you said something to that effect.

Mr. Tim Holmes: That's been generally the presentations that have come from school boards and trustee associations for the past few years. It has been an increasing problem as construction costs have risen higher than the benchmarks.

Mr. Michael Prue: I am at a little bit of a loss, in declining enrolment, on how much construction is actually taking place. Is this reconstruction of old facilities that need to be updated or is this brand new schools?

Mr. Tim Holmes: All of the above.

Mr. Michael Prue: All of the above. And so how much reconstruction is taking place on inner-city or older schools across your jurisdiction?

Mr. Tim Holmes: We usually do about two major renovations or additions in a year. We haven't built a new school for—Wilma, correct me—about maybe three years.

Ms. Wilma de Rond: The last one was Catherine of Siena. It's a little older than that.

Mr. Tim Holmes: Yes, I think probably four years. I was here in London when that happened, so it's probably about four years since our last one, and then probably a year before that we completed a high school. So we're not doing a lot of new construction but we're doing a lot

of additions to schools, often because of primary class size reductions.

Mr. Michael Prue: What can we tell the finance minister needs to be done in order to make sure the benchmarks are adequate? Let's change it to the other. What would have to be done?

Mr. Tim Holmes: Just that, really: a change to the benchmarks. It's fairly simply done. I understand the Ministry of Education is becoming more accepting of the fact that the benchmarks are inadequate and they are proposing that a study be undertaken. I think it's going to take 18 months to two years to complete, but I'm not sure we have the luxury of that much time.

Mr. Michael Prue: Do you already have a recommendation that wouldn't need 18 months to two years of study, or do you think that this study is actually needed?

Mr. Tim Holmes: I think the study would probably be a wise idea, because right now there's not a standard set of specs for schools or for additions, and I think the ministry would like to see that, because the results of tenders can vary quite a lot. I just told you our experience about 25% underfunded, and that's without the financing costs, which would actually increase that. So I think you've hit the nail on the head. I think there are two real solutions to this. One is an immediate increase in the construction benchmarks, probably reasonably modest, until the study is completed, which would probably provide a more definitive answer.

Mr. Michael Prue: Thank you very much.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

POLICE ASSOCIATION OF ONTARIO

The Chair (Mr. Pat Hoy): I call on the Police Association of Ontario to come forward, please. Good afternoon. You have up to 10 minutes for your presentation, and there could be up to five minutes of questioning. I would ask you to identify yourself for our recording.

Mr. Bruce Miller: Thank you. My name is Bruce Miller. I'm the chief administrative officer for the Police Association of Ontario. I was also a front-line police officer for over 20 years in the city of London prior to taking on my current responsibilities about eight years ago.

The Police Association of Ontario is a professional organization representing over 31,000 police and civilian members from every municipal police association and the Ontario Provincial Police Association. We've included further information on our organization in our brief. We appreciate the opportunity to provide input into this important process.

Ontarians have a right to feel safe in their homes, on their streets, while at play and in their schools. Safe communities create trust and comfort and attract investment, which can only lead to a stronger province. While appreciative that there are many demands for funding, we believe that safe communities are a priority for the citizens we serve.

In November, we released a public opinion poll that we commissioned across Ontario, done by Innovative Research Group. The complete poll is copied in our submission, and it's also available on our website. Some of the highlights include the following:

Ninety per cent of those polled agree that Canadian laws and eligibility for parole should be toughened to make persons convicted of crimes of violence and gun crimes more accountable for their actions;

One in four Ontarians feel that they or a family member will be physically attacked within the next five years;

An overwhelming majority say that gun violence has worsened during the past five years;

A majority of Ontarians believe that municipal governments should increase funding for police services;

There's very strong support right across the province for increased funding for the OPP; and

Finally, half of Ontarians feel that crime has increased in their community in the past five years.

Policing is dependent on professionally trained personnel. This is reflected in the fact that staffing accounts for approximately 90% of all the costs in the operating budgets of police services across the province. As you know, in Ontario, these costs are borne by municipalities and the province.

It's been our experience that, for many reasons, municipalities are constantly looking at ways to lower the budgets of police services. Meeting taxpayer expectations for high-quality, professional policing is compromised by these budget restraints and cutbacks. We simply can't continue to provide the level of policing that people expect and demand within the current staff complement.

A recent HRDC study on policing points out that crime is becoming more sophisticated, organized and technically complex. Criminals are using cutting-edge technology, and the police are hard-pressed to keep pace. Criminal organizations do not face the budgetary restrictions that are faced by police agencies, which may prohibit or delay the acquisition of equipment or personnel. Often, investigations into these matters are very time- and resource-consuming. We're playing catch-up to the criminal in many instances.

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The same study points out that while the range of duties has expanded for Canadian police, the increase in the number of police officers has not kept pace with the rate of population growth over most of the last decade. The effects of budget constraint are felt in every aspect of policing, from training to occupational health and safety, and are intensified by rising costs and expectations.

Too often, the job of police work is about satisfying paperwork requirements and complying with regulations which, although necessary, increase the workload of police personnel. Officers must ensure that all statutory requirement steps are satisfied, a fact amplified by the Supreme Court of Canada decision that obligates crown attorneys to make full disclosure to all affected parties. It's become a paper nightmare for investigators.

All of these regulatory and statutory requirements underscore the need for additional police personnel and resources.

We are indeed fortunate in Ontario that two successive governments have recognized the need for additional police officers and have acted to put 2,000 new police officers on the street. The challenges faced by policing remain and an additional influx of officers is needed.

The federal government committed to putting at least 2,500 new officers on Canada's streets. We believe that Ontario should be given its rightful share of the funding for new officers based on its population base and that those officers should be distributed to Ontario's municipal police services, First Nations police services and the Ontario Provincial Police. With 40% of our country's population, we would expect that Ontario would receive at least 1,000 new officers under this initiative.

We also believe that funding for this initiative should be long-term and not just limited to a short, finite period of time. We have been frustrated over the length of time that it has taken to move this initiative forward. We would urge both the provincial and federal governments to return to the table and move this matter forward, and we'd like to ask for your support on this.

Safe communities attract business and growth. We need to ensure that Canadian communities continue to be safe and to prosper. Twenty-five hundred new police officers can only add to that sense of prosperity.

The other area that we would like to address concerns court security and prisoner transportation. Some groups have expressed concern over who should be responsible for providing this necessary service.

Court facilities pose unique problems. Emotions can run high during court proceedings. Those accused who are remanded in custody tend to be held as a result of having been charged with crimes of violence and/or those with a history of violence. The potential for tragedy always exists. These complex challenges demand the attention of fully trained and accountable police personnel.

This is reflected by a just-released study by the Correctional Service Canada Review Panel. Some of their findings included the following:

There has been an increase of more than 100% in the proportion of federal offenders who are classified as maximum security upon admission;

One in six federal inmates have known gang and/or organized crime affiliations;

About four out of five offenders arrive with a serious substance abuse problem; and

Finally, 12% of male offenders and 26% of female offenders are identified as having serious mental health problems.

The PAO strongly believes that court security and prisoner transportation is a core police responsibility. We need to ensure that these duties continue to be performed by accountable, fully trained professional police personnel in order to safeguard our communities.

I'd like to thank the members of the standing committee for allowing us to appear before you again. I'd be pleased to answer any questions anybody may have.

The Chair (Mr. Pat Hoy): Thank you for the presentation. The questioning will go to the government.

Mr. Charles Sousa: Thank you for being here today; I appreciate that.

The government has invested over \$68 million in funding for guns and gangs; \$37 million of that has been put towards 1,000 new officers across Ontario; about \$12 million in funding for implementing anti-violence intervention strategies for those communities outside the GTA, like Brantford, Halton, Hamilton, Niagara, Essex county, Durham, Kenora and here in London; and we have about \$5 million in funding for the continuation of the Toronto Anti-Violence Intervention Strategy now, as well as funding for about \$31 million in community-police partnerships.

You're asking for tougher laws and tougher enforcement fighting the gangs, getting the guns. Are the partnerships working? Are we doing enough with respect to—I know you're asking for a lot more and we need to do more. We have to do something better with the federal government as well in terms of cracking down on handguns. These partnerships that have been put in place—what are your impressions?

Mr. Bruce Miller: I think we're fortunate in Ontario that not only the government but all parties have worked to make our communities safer. I mentioned earlier that we've had two successive governments put 1,000 new officers on the streets. We've also been fortunate that when addressing issues such as guns and gangs, private security legislation, and I know, in the case of police, our blood samples act to help make the job our officers do safer—we had support from all three parties on those issues. So I'd like to thank everybody here and all their respective parties for the support we've had.

I'm really here today to just ask your support to help move the federal initiative forward—it's been slow and frustrating—and also to raise the issue of court security and prisoner transportation, which some of the members around this table know comes up every now and then. But we very strongly believe that it's a core police responsibility and should remain there.

Mr. Charles Sousa: I have no further questions.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Bruce Miller: Thanks very much, Mr. Chair.

N'AMERIND FRIENDSHIP CENTRE

The Chair (Mr. Pat Hoy): Now I call on the N'Amerind Friendship Centre to come forward, please. First of all, let me thank you for coming in early this afternoon to meet with our committee. We appreciate that very much. You have 10 minutes for your presentation. There could be up to five minutes of questioning after that. I would just ask you to identify yourself for the purposes of our recording Hansard. You can begin.

Mr. Chester Langille: Thank you. My name is Chester Langille. I'm the executive director of the N'Amérind Friendship Centre.

I don't have handouts for everybody. I do have one that I'll submit to the committee afterwards and I do have electronic copies, if you're interested. My presentation is on the positioning of Ontario for long-term growth, and the development and inclusion of a healthy, vibrant aboriginal population.

Aboriginal people are overrepresented in every social area, and disparities in equity and quality of life are reflected in suicide rates, poverty, unemployment, chronic illness and mental health, obesity, justice, education, housing and homelessness, the mortality rate, addictions and child welfare. This is not new information, as these issues have been reported for generations. These issues that plague aboriginal people find their roots in colonization, direct impacts of the Indian Act, residential schools, assimilation policies, systemic discrimination and racism.

The challenge of past governments to address these complex issues has resulted in Band-Aid solutions, patchwork funding and the continuation of significant disparities between the quality of life of aboriginal and non-aboriginal peoples. Root causes of social inequity must be addressed to create any lasting change.

In Ontario, the mainstream population is aging, with baby boomers rapidly reaching retirement. The growth rate is declining, where the average family has one child. Projections of our future economic health reflect concerns of a growing labour shortage, an increased tax burden on families, an increased burden on the health system and the vanishing of the middle class.

In many areas, we're currently seeing a crisis unfold as these projections become reality. For example, school boards across the province are developing capital planning strategies as they must consider closing surplus schools, many of them built to support baby boomers over 50 years ago. In the wake of declining student enrolment, school boards struggle to sustain aging buildings with vacant space, unable to afford to build new facilities or provide extracurricular programming.

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Conversely, the aboriginal population is growing rapidly with the continued progression of urbanization. Aboriginal families have more than twice the children as mainstream families, with the majority of the population being young. The greatest segment of the aboriginal population is moving into the labour force, while the greater segment of the non-aboriginal population is moving into retirement. However, 50% of the aboriginal population is not achieving a grade 12 education. The consequences of this result in increased unemployment, addictions, child poverty, child welfare involvement, conflict with the justice system, homelessness, chronic and mental health disorders and high suicide rates. Additionally, this applies significant economic stress on the system, requiring significant financial supports for policing, the courts, corrections, the health system, the child welfare system and

other components of the social service net to address these social impacts.

To address Ontario's economic needs for future sustainability and growth, the urban aboriginal population must be included as contributing participants. To ensure this outcome, education is the key tool to addressing the root causes of social inequity for aboriginal people.

When considering the role of education in addressing social disparities, it cannot happen outside of the direct involvement of aboriginal people. Our approaches to education are holistic, recognizing the interconnected relationships between family, community, health, justice, employment and social well-being.

Additionally, to avoid patchwork funding and Band-Aid solutions, the Ontario government must pursue an interministerial approach, where numerous ministries share responsibilities in various social sectors. Also, an effective education model must recognize specific differences, needs and approaches for aboriginal people. For example, effective education must address the three primary reasons aboriginal students do not succeed: the lack of cultural relevancy in the existing curriculum, the mobility of urban aboriginal people, and social issues taking precedence over education.

To ensure aboriginal student success, a strategy must be implemented that addresses the complex needs of students. This is not unknown to us. Successful models do exist. However, most of these models exist in other countries such as the United States and New Zealand. Even some of our other provinces such as Manitoba, Alberta and BC have existing models of aboriginal education which are highly successful. These models are cultural immersion schools which support languages, traditional practices and culture in a format that meets provincial expectations.

In Ontario, friendship centres are in a unique and ideal position to address aboriginal education, as was identified in a master's thesis entitled *Validating a Claim for Aboriginal Immersion in Canada: A Case Study of Wiingashk Alternative Secondary School*. Friendship centres are urban aboriginal organizations that provide cradle-to-grave social supports for urban aboriginal people. Opportunities and capacity exist to develop cultural immersion models of education that will address community development needs for urban aboriginal people, resulting in greater participation in the economic development of Ontario. The development of an aboriginal education model requires a strategy that will consider numerous factors, including:

- culturally relevant curriculum;
- recruitment of aboriginal teachers;
- aboriginal languages;
- cultural immersion schools;
- urban aboriginal trustees, which would require legislative change;
- urban aboriginal child welfare support and utilizing existing census data to support these changes;
- aboriginal child care;
- lack of aboriginal child care spaces;

- aboriginal languages and relevant curriculum for child care;
- capital funding for developments of day care and capital immersion schools;
- child welfare funding for aboriginal child welfare supports;
- for youth, consistent funding for youth supports.

In conclusion, the totality of social disparity and inequity for aboriginal people stems from impacts of loss of identity. For urban aboriginal people it is even more pronounced as we face a distinct disconnect from our community, where culture and language supports are not accessible to us. We move from unstable conditions in First Nations to urban centres seeking greater opportunities in education, employment or health, only to find limited opportunities, lack of cultural supports and discrimination.

How can Ontario address these issues? Funding needs to be directed to urban aboriginal community development. This is what friendship centres are about. The recently released final report of the urban aboriginal task force outlines recommendations for provincial government that identifies specific needs to ensure our contribution and sustained growth for Ontario's economy. To ignore the recommendations which were developed to address projected crises will result in not only continued disparity but the realization of the need to include the urban aboriginal population to sustain Ontario's economic well-being. By contributing to the healthy development of the urban aboriginal community, Ontario will cultivate an invaluable contributor to the province's future economic progress.

The Chair (Mr. Pat Hoy): Thank you. This round of questioning will go to Mr. Arnott.

Mr. Ted Arnott: Thank you very much for your presentation. It was excellent. We appreciate your advice. I assume your friendship centre is in London, is that correct?

Mr. Chester Langille: Yes.

Mr. Ted Arnott: How big is the urban aboriginal population in London?

Mr. Chester Langille: Based on the 2006 census data that was just released, it identified 6,200 aboriginal people living in the city of London. The one thing about the data is that when it was released, I had taken a sample group based on our clients, our membership and our staff to determine the number of aboriginal participants in the census, and 64% identified that they did not participate. So those numbers are very conservative. Additionally, I was able to obtain some information regarding the census data, which I'll hand in as well, that did a breakdown based on where the aboriginal population lives in the city of London. For example, although based on the numbers they make up 1.4% of the population, based on Stats Canada's information, there are certain pockets where the aboriginal population makes up 10% of the population in the city.

Mr. Ted Arnott: You said that the friendship centre exists to extend social supports for the urban aboriginal

population. Can you describe in more detail what kind of services you provide?

Mr. Chester Langille: Absolutely. For example, we provide prenatal support and a healthy babies program. We have a family support program for ages up to six years. We have an Akwe:Go program for ages seven to 12. We have a youth program. We have a lifelong care program. We have a criminal court work program, family court work and community justice. We have Wiingashk secondary school. So our supports are, as I mentioned, cradle to grave. We have a wide range of supports to address social issues for students, youth and adults.

Mr. Ted Arnott: Well, we wish you well in your work. I know Mr. Hudak has a question or two for you.

Mr. Tim Hudak: Mr. Langille, thank you very much for the presentation. I'm from Niagara, and we have a very strong native friendship centre in Fort Erie that you may be familiar with. It's a very active member of the Niagara community—very successful programs through there.

As you know, there's a debate right now in the city of Toronto about an Afrocentric school. There's a First Nations school as well in the city of Toronto, so the province is consumed by this debate. There's a fine line, I think, between providing services based on a group or general population. You mentioned a couple of things, like the importance of aboriginal daycare and education programming. Is it your view that they should be separate for First Nations people, or should there be special segments within the general population, say, within a school or within an existing daycare system?

Mr. Chester Langille: I think that based on existing models—and successful models, just to give an example, with the Wiingashk secondary school that we have at N'Amerind. We deal with kids that are high risk, so we have expectant parents, young parents, kids involved in the justice system, kids who normally drop out, crown wards. These are the youth that we normally deal with. Their graduation rates are at 10%; about 10% normally achieve a grade 12. Through our program, which is culturally relevant and is in partnership with the school board, our success rates are 80%. This is matched only by mainstream students who are not at risk. That's based on cultural relevancy.

When you look at providing the identity—for example, a culture camp that we held. These are kids who are disconnected, who never received their spirit names, their clans, their colours, which directly relates to who they are, their identity. When they receive those, it transforms them. We provide those specific supports, those cultural supports, and it impacts their success and their identity of who they are. Those are the most active kids that we have, and the most successful.

Mr. Tim Hudak: Help me understand. Is that school program at the native friendship centre? Is it a separate structure associated with the public board? Help me understand how it is actually set up.

Mr. Chester Langille: It's a partnership between us and the Thames Valley District School Board. It's an

alternative school, and we're expanding it. The one thing is that basically the students are attached to a primary school, to a main school. Because they can't succeed in a mainstream school, they attend our school, and they graduate following successful completion of their credits. Our school is full time, so upon their successful achievement, they're graduated by their home school.

Mr. Tim Hudak: And for things like extracurriculars, whether it's sports, school newspapers, those types of activities, do those activities take place within the public school system, with the non-native kids, or is it separate in that respect as well?

Mr. Chester Langille: This would be open to anybody who wants it, but we primarily service urban

aboriginals because we only have limited capacity. The size of our school—we have one teacher, for example. We actually have a waiting list long enough that we can double our class size. But what we're looking at developing, and what we've been working on for the last two years, is a cultural immersion school, which is culture-based but open to all people.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

We are adjourned.

The committee adjourned at 1539.

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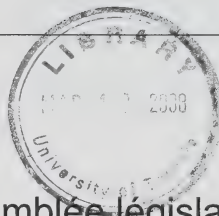
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ISSN 1180-4386



Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Monday 3 March 2008

Journal des débats (Hansard)

Lundi 3 mars 2008

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Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



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Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 3 March 2008

Lundi 3 mars 2008

The committee met at 1000 in room 151.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. Good morning, committee. We are here for report writing.

Our first order of business this morning, however, is to ask if there is agreement that we adopt the draft as written.

Mr. Wayne Arthurs: Agreed.

Mr. Michael Prue: Agreed.

The Chair (Mr. Pat Hoy): The draft report has been agreed upon.

You should all have a package of the motions in front of you. I just would remind all members that according to the standing orders, preambles are not allowed as part of the motion. Any “whereas” clauses will therefore not form part of the motion recorded in the official minutes. So to get on the record, I would think, you could either say “motion 1” or read just the recommendation, which, for example, in number 1 is the last line.

We shall begin. Motion 1 is an opposition motion.

Mr. Toby Barrett: The standing committee on finance and economic affairs recommends that the Minister of Finance lower the corporate income tax rate for all businesses in Ontario to foster investment.

Part of the rationale is that all other provinces in Canada are moving forward with cutting business taxes, not only corporate income taxes but also capital taxes, in order to stimulate investment and job creation. Our businesses and industry in Ontario have one of the highest marginal tax rates. We feel that this is perhaps one of the more important measures, given some of the economic data and information that we received, partly during the time when we were travelling to Sault Ste. Marie and Timmins and Guelph and elsewhere. The forecast for this present year is not sunny. I know we heard from Scotiabank that the economic growth forecast for the current year ranked Ontario dead last.

In 2007, Ontario's growth rate was the slowest anywhere in Canada. According to nearly all the bank estimates, Ontario hasn't sunk so low since the 1991 recession. We did hear testimony and there were questions concerning the US economy. They are using the R word,

flirting with a sub-prime mortgage lending recession, potentially.

In my riding, people are concerned about the localized economic depression. I'm referring specifically to our farm economy, our tobacco economy and the devastation in Haldimand county's economy now that we're into the third year of the native occupation.

One other factor with respect to whether it's business income taxes or capital taxes: It's not only business and work and industrial and economic activity involving goods and services; it's jobs. For the first time in 30 years, the province's unemployment rate exceeded the national average. It was 6.5% in December; it may be around 6.3% right now. Again, all five major banking institutions predict the unemployment rate will continue to rise throughout this year and next year, 2009.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Michael Prue: I'll hear from the government first.

The Chair (Mr. Pat Hoy): All right. Mr. Arthurs.

Mr. Wayne Arthurs: I don't believe government caucus members will be able to support this particular motion. We're obviously moving pretty aggressively on the elimination of the capital tax. The fall economic statement has the capital tax for both manufacturing and resource-based activities eliminated as of January 1, 2008, if the legislation is adopted.

In effect, our current corporate tax is 14% province-wide and 12% for manufacturing. The federal government does have some room to move yet before they come close to the current provincial position. I have to say that we're certainly acutely aware of the discussions—I'll frame them as such—that are going on between the province and the federal government at this point in time, between the Premier and the Prime Minister, and between finance ministers.

Mr. Michael Prue: I can't support this either, not because I disagree with it but only because I think it's far too broad in terms of recommending lower corporate income tax for all businesses. There are many businesses that are hugely profitable in this province—I'm thinking about the banks, the insurance companies and others that are making enormous profits—and to simply make more profits doesn't seem to be doing much for the people of Ontario. I would have agreed to the motion had it been confined to the manufacturing sector or those that are in trouble, because I think we need to do everything we can,

but certainly I don't believe the people of Ontario would be well served by having corporations that earn billions and billions of dollars of profits, like the banks have this year, being given more.

The Chair (Mr. Pat Hoy): Are we ready for the question? I'll need to see members' hands. We have a lot of votes this morning.

Mr. Toby Barrett: I'll ask for a recorded vote on this one.

Ayes

Barrett.

Nays

Aggelonitis, Arthurs, Broten, Pendergast, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Number 2 is an NDP motion, Mr. Prue, if you'll move it.

Mr. Michael Prue: Yes, it's a long motion. Perhaps I'll try to save some time and just move motion number 2 and then speak to it.

Interjection.

Mr. Michael Prue: There are no "whereases" here. The whole thing is the motion. Do you want it read?

The Chair (Mr. Pat Hoy): Yes.

Mr. Michael Prue: Okay, then I'll read it into the record.

Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its FY 2008-09 budget, allocate \$800 million towards a jobs stimulus plan that would have three elements:

(1) a jobs-focused Manitoba-style investment tax credit that would encourage manufacturers and processors to make capital investments and create jobs. The credit would be 10% of investments in new machinery, buildings and equipment. An added incentive of a 20% credit would be available for investments in green industry jobs.

(2) A "Buy Ontario" program with specific domestic content levels for both Ontario and Canada for transit, infrastructure and other categories of public spending such as health and education.

(3) The immediately—I think that should be "immediate"—investment of the approximately \$350 million flowing from the federal government's vulnerable communities assistance package. This money is desperately needed in our hard-hit manufacturing and resource communities now, and all labour market partners must be at the table to decide how it can best be spent and to get it to our communities as quickly as possible.

To speak to that, if I may—with the amendment, if the clerk would note that; I think it's an adverb and it ought to be "the immediate" investment, not "the immediately"—this is a specific investment. I did not vote with the Conservatives' motion because I thought it was too

all-encompassing. This is very targeted. It's \$800 million. It's aimed to help manufacturing and resource industries to maintain jobs in Ontario. We've had a loss of about 200,000 such jobs in the last four years, and it appears to be escalating. We see what is happening south of the border; the job losses there are starting to rack up pretty fast. This is an attempt, modelled after Manitoba, to give incentives to people to bring in new equipment, new buildings, and hence hire new workers.

The second part is the "Buy Ontario" program, which I think is very important. Every single state in the United States and every province save Ontario has a "buy local" program. To some people, that may cost money. Of course, you might be able to buy cheaper products in China than you can here, but we have an obligation not only to the taxpayers to get good value for the money; we also have an obligation to the people who live here to promote our industries and to promote jobs. I'm thinking specifically about Bombardier in Thunder Bay. With transit vehicles, the city of Toronto took a very brave position, I thought, in purchasing the cars there. They could have got them cheaper from China but chose not to do so. We think that a made-in-Ontario and secondarily a made-in-Canada option ought to be part of government policy. We also believe that the public will recognize that in doing so they are saving jobs and giving work to Ontarians, and Canadians will not be that averse if the costs are slightly higher.

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We know that this week, there will be some discussion about nuclear facilities. Although the NDP is opposed to new nuclear development, if the Liberals are insisting on doing so, we would appreciate very much that the jobs remain in Canada, as opposed to being farmed out somewhere else.

Last but not least is to look after the vulnerable communities. We have many, many towns and cities across the province which are in desperate shape. Some one-industry towns have lost the industry and are on a very fast downward spiral. We would like everyone to sit down, to spend the \$350-million package and to work with these communities to get them back on board. It's a comprehensive program. We think it is doable. The money is targeted and will be spent where it will do the most good. I'm asking for support.

The Chair (Mr. Pat Hoy): Any further comment?

Mr. Wayne Arthurs: I don't believe the government caucus members can support the motion that we have before us. I know the government has made a very specific effort to invest in industries such as the auto sector in the last mandate, and leveraged some \$7 billion in new investment. The query would be where we'd be without that kind of investment in job opportunities.

The infrastructure program that came out of the fall economic statement and the additional \$150 million the Premier has dedicated to that is clearly intended to create employment opportunities, as well as infrastructure renewal in municipalities, including those that are vulnerable communities in the province. Any investments that

we continue to make in areas such as municipalities, health or education all clearly flow through to job creation for Ontarians, in effect.

Although I appreciate the motion before us, there are other strategies currently in place that we think are making good investments.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: Just a recorded vote.

The Chair (Mr. Pat Hoy): Mr. Barrett.

Mr. Toby Barrett: Yes, with respect to NDP motion number 2, we certainly agree with the problems that this approach is trying to deal with. It's titled "Jobs stimulus program," and the latest figure is that 174,400 manufacturing jobs have left this province since 2005. Our unemployment rate sits at 6.3%. All five major banks predict Ontario's unemployment rate will continue to rise over 2008-09, and some of the banks are predicting an unemployment rate as high as 6.9%, so the reasoning behind this kind of motion is valid.

Last year in Ontario, 64,000 high-paying manufacturing jobs were lost. I don't know whether this material was presented to this committee: CIBC is predicting that a further 200,000 manufacturing jobs essentially remain at risk in central Canada. During the travels of this committee, we were certainly made aware of the disaster with respect to the loss of forest-related and agribusiness jobs.

As far as the approaches requested here and the Manitoba-style investment tax credit to encourage manufacturers and processors to make capital investments, again to create jobs, we don't necessarily agree with this Manitoba model; as in my last motion, we presented another model. But we certainly recognize that there is weakness in the manufacturing sector with respect to underinvestment in these kinds of capital investments in machinery and equipment, and that continues to put us at a competitive disadvantage with the United States. Annual capital expenditure on machinery and equipment in Ontario's manufacturing sector has decreased since 2003. So the Manitoba approach is one approach to that. We have a slightly different approach which we felt should have kicked in about four and a half years ago.

As far as the "Buy Ontario" program, again, we appreciate the sentiments of that, bearing in mind how important it is to maintain the integrity of our NAFTA agreement.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, a recorded vote was requested.

Ayes

Prue.

Nays

Aggelonitis, Arthurs, Broten, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Government motion number 1.

Mr. Wayne Arthurs: The standing committee on finance and economic affairs recommends that the government continue to pressure the federal government to provide fairness to Ontario workers in employment insurance benefits and continue to urge the federal government to partner with this province in providing support to our manufacturing sector.

Mr. Chairman, if you'll allow us to speak to this very briefly, we don't think that when there's a disparity in the range of \$4,000 for unemployed Ontario workers compared to what unemployed workers get elsewhere in the country as they try to raise their families, keep a roof over their heads and either retrain or get back into the job market where their skills are best used, it's fair to Ontario. It would certainly support our economy in a substantive way, for those who need that support.

Secondarily, we think the federal government should do far more partnering with us. Our next generation jobs fund is over \$1 billion, proposed. It would be great to have them as partners. Frankly, last week's federal budget, some \$250 million for the auto sector over five years, is really a paltry amount for something as important to us as our auto sector. So we would urge them to partner with us in a more substantive way than they've been doing.

Mr. Michael Prue: I can't fault anything that the parliamentary assistant had to say on this, but this is almost a motherhood statement. I mean, to continue to sit down with another government, which every government does, to continue to ask for fairness with Ontario, on which we've already passed motions: I can't vote against it, but really this is doing very little in terms of actual direction of this government and responsibility that this government should be taking for the people of Ontario. This is simply another front-page Toronto Star story this morning, with the Premier and Mr. Flaherty going at it. Of course we are going to vote for it because we want fairness for Ontarians as well, but quite frankly, I don't know the purpose that this motion is going to serve. I really don't.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Toby Barrett: This motion, to my mind, recognizes the unemployment problem that Ontario has, more so than other provinces in the rest of Canada, as far as growth in unemployment. I think I said previously that for the first time in 30 years, Ontario's unemployment rate exceeded the national average in 2007. Maybe that kind of dismal statistic would serve the Premier well as he goes to Ottawa to ask for something like this.

The people who are unemployed: As we know, the biggest hit seem to be manufacturing in central Canada and the forest industry. I made mention of 174,400 jobs lost since the beginning of 2005, and I'm not sure where this was discussed on the committee, but it does involve the federal issue. If we look at our problems from a national perspective, given the growing tough times with respect to the Ontario economy, people are on the move. They are leaving this province and going elsewhere in Canada. If they remain unemployed in other provinces,

and I'm assuming they're not going to other provinces to draw unemployment insurance, they would—again, you've raised a federal issue. I'm assuming they get the same employment insurance benefits in other provinces as they would here, but the main reason they're moving is that they're looking for work. Ontario has reported a net loss of over 30,000 people to other provinces in this past year, and since the third quarter of 2003, Ontario has lost people to other provinces amounting to a net decline of well over 64,000 people in the last three and a half years.

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If we're opening up a national discussion here, we can talk about how some of Ontario's economic woes stem from external factors like the Canadian dollar; I think it's up again just recently. This committee or this province has very little influence on the Canadian dollar, but it is worth looking inward at policies implemented by the Ontario government.

Our concern, and I know we're talking about a federal issue here, is that provincial policies have contributed to Ontario's plight by degrading its investment climate. There was a headline in the media this morning—I can't find it here—about scaring off US investment, and we certainly do not want any kind of situation where Premier McGuinty is scaring off US investment, because, again, that translates into job losses and impacts the whole country and translates into more people drawing on employment insurance.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, I'll call for the vote. All in favour? Opposed? Carried.

Number 4 is also an NDP motion. You'll have to read it, Mr. Prue. I might say that the ones that have "Whereas," we don't read. Yours don't have that.

Mr. Michael Prue: No, none of ours have "Whereas."

The Chair (Mr. Pat Hoy): In order to get it—
Interjection.

The Chair (Mr. Pat Hoy): Maybe none of them. So they have to be read in, in total.

Mr. Michael Prue: Okay. I was just following your suggestion about the number, but obviously that didn't work, so I will read them in.

The Chair (Mr. Pat Hoy): They will have to be read in.

Mr. Michael Prue: That's fine.

Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its FY 2008-09 budget:

- implement a new provincial personal income tax bracket at the \$150,000 individual income level at a rate of 13%; and

- restore the capital tax on banks and insurance companies to the original 2005 level.

If I could just speak to that, the new provincial personal income tax bracket at \$150,000 at 13% would simply restore what that bracket was prior to 1995. It was done away with in 1995, and if the province requires

additional monies, the top 1% of the population of Ontario who earn in excess of \$150,000 certainly is a place to look for those funds.

The second one is to restore the capital tax on banks and insurance companies to the original 2005 level. As I said in my earlier remarks, we know that many of the manufacturing and other sectors in Ontario—the tourism sector, the forestry sector—are hurting due to a combination of the high dollar and loss of jobs. But those who are not hurting are the banks and insurance companies, and we are simply requesting that instead of continuing to reduce the taxes in those sectors, the government go back to the 2005 levels and hold them. That will result in hundreds of millions of extra tax dollars which I'm sure this government will put to good use in fighting for things like the elimination of poverty, which we'll get to shortly. If the government is looking for additional funds, we think those are the two places, and probably the only two places, where additional monies will be forthcoming. On the expenditure side, I'm sure there are going to be many, many more requests.

The Chair (Mr. Pat Hoy): Further comment, if any?

Mr. Wayne Arthurs: The government caucus wouldn't be able to find themselves in a position to support the motion.

There are really two principal elements here. The second one first: The government clearly has a plan for the elimination of capital taxes, not for increasing them. On the first of the two initiatives, during the last campaign, after having the auditor confirm through his pre-election report that we have a balanced budget situation and a plan to retain a balanced budget, we campaigned on the basis of no further tax increases.

The Chair (Mr. Pat Hoy): Further comment, if any?

Mr. Michael Prue: Just a recorded vote.

The Chair (Mr. Pat Hoy): Comment, Mr. Barrett?

Mr. Toby Barrett: On the NDP motion which addresses both income tax and the capital tax, when the capital tax is finally eliminated in Ontario, we'll continue to have the highest effective tax rate on capital; it's 33.5%. It's an unfortunate situation and a result of a high provincial corporate income tax rate of 14% and high retail sales taxes on capital.

As far as the income tax, Ontario's corporate income tax rate has not been reduced since the 2001 budget. The former government introduced measures to lower the corporate income tax rate for all businesses to 8% by 2005. This government brought in the so-called Fiscal Responsibility Act in 2003 that eliminated corporate tax measures that were announced in that 2001 budget. That legislation also increased Ontario's corporate income tax rate significantly, from 12.5% to 14%. That's a big contrast to what we have seen in the western provinces, and I made mention earlier of 30,000 people who have left the province of Ontario in the past year.

So essentially we have a situation where Ontario significantly increased the cost of investing, as far as business, whether it's capital tax or corporate income taxes,

and the faster-growing provinces out west are moving in exactly the opposite direction.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, a recorded vote was requested.

Ayes

Prue.

Nays

Aggelonitis, Arthurs, Broten, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Now we're on page 5. Mr. Barrett, if you'd read the last line for the record.

Mr. Toby Barrett: The standing committee on finance and economic affairs recommends that the Minister of Finance eliminate the job-killing capital tax immediately.

By way of explanation, so many economic studies consistently show that capital taxes are among the most inefficient forms of taxation. It's a direct tax, it's paid year after year on money that companies have invested in their capital, and it's a tax that must be paid regardless of whether the company makes any money or not.

Few jurisdictions use this tax, and most of our competitors do not have a significant or any capital tax at all. So in this tax alone, Ontario is at a competitive disadvantage. Economists complain that capital taxes are punitive to investment in a context where increasing our productivity remains probably the most significant challenge that our economy is facing. So the capital tax discourages investment and just flies in the face of any measures that we should be bringing in right now to attempt to encourage investment and certainly to encourage capital investment.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: The government caucus members won't be able to support this particular motion. The government does have a very clear strategy on the elimination of the capital tax. The fall economic statement, subject to the legislation being approved, actually expedited eliminating that for manufacturers and resource sectors and for other business as well. So we're anxious to see that completed.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 6 is a government motion.

Mr. Wayne Arthurs: The standing committee on finance and economic affairs recommends that the government continue strengthening our economy by continuing to make strategic investments in our workers and communities for the next generation of jobs.

Very briefly, I think that we should be recommending to the minister that he focus attention on our communities. Some of that was done in the fall economic statement. Clearly the communities, our partners in the

municipal sector, need our investment to rebuild our infrastructure and create jobs for our workers, which includes a need for training, colleges and universities in particular, so we can strengthen the mandate of workers and potential workers in this province.

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The Chair (Mr. Pat Hoy): Any other comments?

Mr. Michael Prue: Again, the government motions have a glaring lack of specifics. Had you written down "and invest \$500 million," or even three cents, I would have thought that the motion would have said something. But this is a general motherhood motion; who is going to vote against it? But what effect is it going to have? It would seem to me that the finance committee should be talking in dollars and cents or in specifics.

Even though I don't agree with all the PC motions, they are specific. Even though you don't vote for ours, they are specific. But this says nothing to me. Sure, I can vote for it; I'm sure every single person can vote for a motion that is nothing more than motherhood. But I wish it did say something. I wish this committee would commit itself to asking the government for specific legislation or for specific monies to be spent. I think that is our duty. Our duty is not to talk in terms of motherhood.

The Chair (Mr. Pat Hoy): Mr. Barrett.

Mr. Toby Barrett: I agree with that as well. I find this quite vague. We're talking about "the next generation of jobs" and making "strategic investments" in communities. I can only speculate how that would be done or who would receive this money. One way to sustain jobs in the short run, I guess, is by using tax dollars. Oftentimes that money goes to public sector job creation, which creates an equal demand on the revenue of this province, a demand on the tax dollars themselves.

If you had been more specific—I know a real test of an economy's performance is private sector job creation. Obviously, government jobs themselves do not create wealth. I see a motion here, government motion number 2 on page 6, that essentially is talking about a redistribution of income. "Investments": That's a key word for taking revenue through the taxation of private sector businesses and individuals, and re-directing. I do remind this government that it doesn't say where it's going, and I didn't hear that in the explanation. But government jobs themselves, if that's where some of this money is going, do not create wealth. It's simply a redistribution of income, jobs sustained by tax dollars. Every new public sector job created equals a demand for more tax dollars.

I think we need to enhance a trend to replace the good-paying factory jobs. Maybe this is directed to other types of employment. It may be service sector, call centres—I know various governments support call centres. Regrettably, those kinds of jobs pay considerably less. They're usually part-time, and oftentimes they're not a very secure source of income.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? Carried.

A PC motion on page 7. Mr. Barrett, if you could read the recommendation at the bottom, please.

Mr. Toby Barrett: PC motion on page 7, titled “Debt reduction”: The standing committee on finance and economic affairs recommends the Minister of Finance commit 1% of total provincial revenue towards debt reduction every year, beginning in 2009-10.

The Chair (Mr. Pat Hoy): Comment?

Mr. Toby Barrett: Just by way of discussion, we are advocating and continue to advocate that Ontario’s debt continue to be reduced steadily, and, predictably, that we should not be shouldering future generations with an unaffordable debt. The Ontario government’s debt sits at \$162.9 billion. That uses up \$9 billion a year in interest payments, albeit if you think of past times of high interest rates, the \$9 billion is lower than it would have been if we were back in that era of the early 1980s, when financing was incredibly expensive. This \$9 billion in interest payments every year on a \$162.9-billion debt could be invested in other priorities that we talked about during these finance committee hearings, or it could be returned to the taxpayers themselves.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: I can’t support this, not because I don’t think that we should be paying down the debt, but this is so open-ended. What if next year or the year after that or 12 years from now we are in a recession and there is not a balanced budget? I don’t know how you would then give 1% if you can’t even make a balanced budget. So I just find this incredibly difficult. Had it been for this year, when we are assured that there’s going to be an excess, I would have thought that it was not a bad idea, but I can’t look that far down the road, in terms of a possible recession, and support such a motion.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: The government caucus members won’t be able to support the motion as presented before us. I’ll make reference to 2005-06, 2006-07, 2007-08. By the time the books got to public accounts later in the year, in each of those years there were surplus monies, and those monies all get attributable directly to the debt at that point in time because you’re beyond year-end. I don’t have, off the top of my head, what the figures were in each of those years, but clearly we’re committed to establishing and maintaining a balanced budget in the process. I may even go as far as to suggest that there may be a strategy where one could dedicate a certain amount of dollars, subject to a balanced budget, towards debt reduction. Maybe one needs to look at the contingency fund that’s set up each year, and if in effect the contingency isn’t needed at year-end because you’ve met all of your other obligations, then the contingency or some portion thereof might be dedicated towards debt reduction. But as this sits at this point, as a total provincial revenue contribution towards debt, it’s not something that the government caucus members could possibly support.

The Chair (Mr. Pat Hoy): Further comment, if any? Hearing none—Mr. Arnott.

Mr. Ted Arnott: Thank you very much, Mr. Chair. I assume this is our motion?

Interjection: Yes.

Mr. Ted Arnott: I believe very strongly in the need for a commitment to debt retirement over time. I think it’s very important that governments show fiscal prudence and that in good years we’re paying down debt. That’s why I’ve twice brought forward private member’s resolutions with respect to this issue, most recently in the early months of the first term of this Liberal government. I was disappointed when my resolution, which called upon the government to commit itself to a long-term debt retirement plan, was not passed. I think it is an opportunity for this committee to show a commitment to fiscal responsibility and fiscal prudence by at least making a recommendation to the Minister of Finance, in the context of this report, that we do believe that debt retirement should be a consideration with respect to any surpluses, that as much as possible we pay down debt in good years so as to ensure that our children and our grandchildren inherit a stronger province, financially speaking. So I would encourage members to be supportive of this particular motion.

Mr. Michael Prue: Just a comment: I can’t disagree with what you said. You said “in good years.” However, that’s not what this motion says. This motion says “every year.” That would include bad years. That would include years when the budget is for some reason not balanced, when we’re in recession. I don’t understand the statement that was just made in light of what is written down here. Is it your intention to reduce it 1% every year, in spite of economic conditions, or is it your intention to reduce it 1% in only those years when we have an excess of monies over expenditures?

The Chair (Mr. Pat Hoy): No further comment? All in favour? Opposed? The motion is lost.

Page 8, a government motion.

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Mr. Wayne Arthurs: The standing committee on finance and economic affairs recommends that the government maintain its prudent and disciplined fiscal management to continue to improve public services and strengthen Ontario’s economy while delivering a balanced budget.

Very briefly, I know that the opposition members have expressed some concern that there are no dollar amounts attached to some of the government motions. Clearly, I think part of this committee’s responsibility as well is to signal to the government what its expectations are in the context of the broader obligations. This motion speaks to prudence and disciplined management, particularly as it relates to delivering balanced budgets.

The Chair (Mr. Pat Hoy): Further comment, if any?

Mr. Michael Prue: Again, I can only find four government motions—maybe there are five, but that’s all there is—and every single one of them, including this one, contains not one iota of substance. They are all motherhood statements. I don’t know what the government members of the committee are trying to tell the finance minister. They’re not making any specific recommendations for any changes. They are all saying to continue doing exactly what you’ve been doing in the past. I

wonder why we listened to the hundreds of deputations, which had concrete examples of where they wanted changes in government policy. All of them just simply say to continue. Not one of them has a single dollar figure. Not one of them has a single program that is held up to be changed or a single piece of legislation that would have to be changed in order to accommodate any of those hundreds of deputations. All we have here is "to continue to improve public services." It's hard to vote against any of these, but I have to state for the record that I am very disappointed that in a caucus as large as that one, with all of the experience that is sitting opposite me here, the most that can be done are motherhood statements.

Mr. Toby Barrett: Like Mr. Prue, I am disappointed with the motion and the wording. The Liberals on this committee are calling on the government to be prudent and disciplined—assuming the government is not being prudent and disciplined—and to improve public services. That's not a new idea. I think we agree that's a good idea. To strengthen the economy—it's novel for a finance committee to come forward with something like that. To deliver a balanced budget—I hope there are no thoughts over there to tax and spend into a deficit in the coming year.

It is a motherhood statement, as we have heard from the NDP, and that really flies in the face of the testimony that we heard from so many municipalities. There was one municipality up by Hearst, with a population of 300. We heard from the city of London. We heard from Doug Reycraft, chair of AMO. Many of us just attended the ROMA conference, the rural Ontario municipal conference, and we heard very, very specific requests to improve public services from the municipal perspective. Again, there's an awful lot of white space on this page, and I would hope that there would be something—it doesn't have to be specific dollars, but at least specific actions as far as improving public services. This is needed.

I think anyone who went to ROMA would understand that there is no long-term agreed-upon partnership between the provincial government and municipalities. They need a financial partnership. They have to lean on their property taxpayers. They have to lean on homeowners and commercial establishments and farmers in so many ways that were never intended for municipalities to have to do: infrastructure, improving public services through COMRIF and now Infrastructure Ontario. We were told it's essentially a lottery type of system with these kinds of programs. It fails to acknowledge any differences between municipalities; it's one size fits all. The decisions are being made at Queen's Park or, by extension, in downtown Toronto. At ROMA, we were hearing that they felt their input or ideas were not getting through.

So, yes, it's good for the finance committee here to tell the government to improve public services, but as far as the municipalities, to leave them as an afterthought—try to be a little more specific than this.

Mr. Ted Arnott: I would like to echo the comments that were made by Mr. Prue and Mr. Barrett, as well.

With respect to Mr. Prue's comments, when I look through the package of government motions here, they are few and far between. As you know, the Ontario Legislature has not sat since before Christmas; we only sat for two weeks after the election. The Legislature wound up its affairs before the election in the first week of June, which means that when we finally go back on March 17, notwithstanding the fact there was a rumour going through the Legislature that we would resume sitting on February 25, we will have sat about two weeks in nine months.

I would think that the government staff who draft these motions and who give these to the parliamentary assistant to bring into the standing committee would have had time to do more, in terms of putting together more substantive motions. This committee spent more than two weeks studying the budgetary policies that people want to see from this government, in terms of public hearings, and you would have expected more substance in terms of the motions brought forward by the government today.

With respect to Mr. Barrett's comments, I would certainly agree with the need for more financial assistance to municipalities, with respect to infrastructure needs in particular. In my riding of Wellington-Halton Hills, we have staggering infrastructure needs that municipalities simply cannot afford in the absence of substantial provincial government support. So I would completely concur, having attended the ROMA-Good Roads convention myself and finding those opportunities to speak to municipal partners very enlightening and helpful.

So I would put that on the record, and I hope that we'll see more substance from the government as this hearing continues this morning.

The Chair (Mr. Pat Hoy): Further comment, if any?

Mr. Wayne Arthurs: Recorded vote, please.

Ayes

Aggelonitis, Arthurs, Broten, Pendergast, Prue, Sousa.

Nays

Arnott, Barrett.

The Chair (Mr. Pat Hoy): The motion is carried.

Mr. Prue, please read number 9 into the record.

Mr. Michael Prue: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that, in its 2008-09 budget, the government:

—eliminate the national child benefit clawback;

—implement the full Ontario child benefit that would provide equal benefits to all low-income families regardless of source of income;

—increase basic Ontario Works and ODSP rates at least the rate of inflation over the government's second term in office;

—introduce a \$10.25 per hour minimum wage for Ontario effective July 1, 2008, with annual increases as follows:

- (1) effective January 1, 2009, \$10.50 an hour;
- (2) effective January 1, 2010, \$10.75 an hour;
- (3) effective January 1, 2011, \$11 an hour; and
- (4) effective January 1, 2012, and every year thereafter, an increase consistent with the change in the consumer price index.

This is a specific recommendation with actual targets. The government ran on a platform of setting up some targets. We think these are very good ones. The targets will eliminate the child benefit clawback, which the Premier himself, in opposition, called—I forget the word. I think “heinous” was one of the words he used. To implement an Ontario child benefit in the new program that will treat those children whose parents are on ODSP or on welfare the same as other poor children and not treat them in a different way so that less monies are coming to them for the same vital needs of clothing and housing and food—we think that is something that should be part of the government targets.

We think that increasing the basic Ontario Works and ODSP rates at least the level of inflation is something that the government should be able to commit itself to. I point out that in the last term of this government, although they did meet that target in the first year of their mandate, there was no increase in the second year and increases below the level of inflation in years three and four. If the government is clearly wanting to do something on poverty, this is a target that they should set for themselves and that we should be setting for the Minister of Finance.

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Last but not least, the minimum wage in Ontario, in order to lift someone to the poverty level, will have to be at least \$10.25 an hour; \$8 will not do it. If the government is intent upon reducing poverty, this is a way that it can be done very rationally. In the first year it does call for a fairly large increase over and above that which the government committed itself to, up to \$10.25, but in the years that follow that, it very closely approximates the inflation level up to \$11 an hour, and thereafter would ensure that what does not happen to those who are at the lower end of the wage scale in Ontario is what happened to them during the Harris years, when things were frozen.

So I'm asking the government specifically to do something clear. They have said that they're going to set targets; here are some targets that we believe ought to be set. These are targets we think should be forwarded to the finance minister and should form part of the economic package when the budget is brought down later this month or early in April. I'm asking for your support.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Wayne Arthurs: The government caucus members won't be able to support the motion that we have before us. I'll just mention two things. There is a clear plan we campaigned on in the context of the Ontario child benefit, for its full implementation through 2011.

Equally important, we have seen plans for increases in the minimum wage to \$10.25 in three stages. Actually, the first of those will come into effect on March 31 of this year, adding a further 75 cents. This would be contrary, quite frankly, to our platform and what we each campaigned on.

The Chair (Mr. Pat Hoy): Mr. Arnott?

Mr. Ted Arnott: I want to acknowledge Mr. Prue's motion here on behalf of the New Democratic Party for its specificity—specificity? What is the word I'm looking for, Michael? Specificity, I think—

Mr. Michael Prue: Yes.

Mr. Ted Arnott: —and its comprehensiveness as well. I have to say, though, that our party has not taken these positions. With respect to the minimum wage, we have taken the position that the minimum wage should be set on an annual basis by a commission that consults with the needs of business and labour, as well as the groups that advocate for improvements to the social conditions of the people of Ontario, and then makes a decision based on the economic circumstances of the day. I also believe the minimum wage should be set at a rate that someone can live on, if that's their only means of income. However, this motion does not reflect the position that our party has taken.

With respect to the Ontario Works and ODSP rates being increased at least at the rate of inflation, it's something that our party does support. However, we can't support the recommendations on the minimum wage because we don't think it takes into account the needs of all of the people of Ontario.

The Chair (Mr. Pat Hoy): Thank you.

Mr. Michael Prue: A recorded vote.

The Chair (Mr. Pat Hoy): A recorded vote.

Do you have a comment, Mr. Barrett?

Mr. Toby Barrett: Just to follow up on Mr. Arnott's comments—and there's no question with respect to ODSP—we support the sentiment behind this. People on disability have less choice as far as employment, an area I feel the government could perhaps do a bit more in—and certainly, companies in the private sector—to try to afford more opportunities for people on disability who are able to work or wish to work.

As far as the minimum wage—and I know we heard from Brenda Lammens on the finance committee. She chairs the Ontario Fruit and Vegetable Growers' Association. She addressed the issue of the impact of Ontario's minimum wage. I remember the discussion at the time. With the minimum wage, we are now competing—this is fairly new, in the last 10 years, maybe—with fruits and vegetables grown in countries like Chile, China and India. Fruit and vegetable growers alone are going through some of their worst financial difficulties right now with high costs and poor prices; they do have the issue with the Canadian dollar. But specific to the minimum wage, Chairman Lammens indicated to this committee that labour makes up about 65% of annual expenses on a tender fruit farm, for example; by 2010, it was expected that labour rates will increase by 28%. She

explained that that translates into an additional \$90-million cost for farmers who grow fruit and vegetables. By 2010, as a result of government intervention, I don't think we're going to have any tobacco farmers left. Tobacco is also a labour-intensive industry, and that's contributed to the bankruptcies in tobacco farming.

The Chair (Mr. Pat Hoy): Any further comment? Hearing none, a recorded vote has been requested.

Ayes

Prue.

Nays

Aggelonitis, Arnott, Arthurs, Barrett, Broten, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

We move to page 10; government motion 4.

Mr. Wayne Arthurs: The standing committee on finance and economic affairs recommends that the government continue to make key investments in municipalities, infrastructure and public transit.

I will speak to it very briefly. I know the concerns expressed by some members of the opposition about the lack of numbers. One of the challenges is that we don't know at this committee at this point what the revenue capacity of the province is going to be or what the other obligations might be. As you add specific numbers to some of these motions, in the multiple hundreds of millions of dollars, that resource capacity has to come from somewhere, so that might mean a reduction in programs elsewhere or increasing taxes. I know that Mr. Prue had a motion earlier that spoke to some tax increase issues, which is not on our particular agenda. I believe that motions that speak to enhanced public services that strengthen our communities—specifically, when we begin talking about key investments in municipalities, physical infrastructure and public transit—could be clear direction from committee to the minister in respect of what the committee sees as priorities.

The Chair (Mr. Pat Hoy): Comment?

Mr. Toby Barrett: You indicated that you can't be specific because you don't know what the provincial revenue is, but much of this, with respect to municipalities and infrastructure and public transit, is based more on the need for these services rather than on how much tax money the province will be accruing each year. We heard this at ROMA, that the municipalities, at minimum—maybe they don't need the specific numbers, and maybe they don't even need the economic projections of revenue—need an economic plan from this province. They deserve an economic plan, a long-term plan. There is a requirement for a long-term fix with respect to municipal funding. The municipalities need a long-term arrangement. These councillors also have constituents themselves, and they want to provide the kind of government

and economic decisions that their constituents expect from them.

We feel it's irresponsible to have these rushed announcements, where it seems the money needs to be spent as soon as possible. I consider that ridiculous. It discourages any semblance of long-term planning, let alone any semblance of accountability. We are in this business to try to plan for the coming year. That's why we set budgets. You don't set a budget just based on what your revenue is; you set a budget on many, many other factors beyond that.

The municipalities, whether it's infrastructure or public transit, need some kind of contract with the province, something that both sides agree to, where the investment fits the need. I argue with your position that investment in municipalities has to be based on government revenue, what you figure will be coming in at the provincial level. At least a term of five years for planning for—I think of the rural municipalities, a rotation of replacing bridges, for example, preferably of 10 years or longer. This lottery system has been tried in the last few years. That's an experiment that has failed, and it has failed badly. You simply cannot continue with these knock-off, one-off, hit-or-miss funding schemes. They're here today for the lucky ones and then they're gone tomorrow. Even for the lucky ones today that got a grant, that's not serving them very well, and the ones that don't get a grant have spent perhaps the last three years spending money to apply and get zero in this lottery system.

I hear what you're saying. You're suggesting we plan for allocation of investments at the municipal level based on provincial government revenue, but I think there are many more factors that should be taken into consideration if you're going to have any kind of economic plan for these other levels of government.

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The Chair (Mr. Pat Hoy): Mr. Prue.

Mr. Michael Prue: This is the last of the government motions, and here's what has passed so far: Have the government continue what it's doing in field A; have the government continue what it's doing in field B; have the government continue what it's doing in field C; have the government continue what it's doing in field D.

We listened to 175 different deputations, and the only recommendations—and I'm sure this one will pass, because it's another motherhood issue, and the members of the government over there are all indicating their support for motherhood, which is a good thing. It's going to pass. The sad reality is that we have another 33 motions, but I would hazard a guess that most of them, if not all, will not pass, those being opposition motions. We're going to end up here with four motions. After two weeks of work, we're going to have four motions that are nothing but motherhood. I don't know what this committee thought it was doing when we travelled across Ontario, listening to people, if all that can come out of this is that the government should continue what it's doing.

I have to tell you I'm very disappointed that—I'll say it again for the record—after listening to 175 or so depu-

tants, the government cannot find any way whatsoever to put forward motions that actually make specific recommendations to the Minister of Finance, because I thought that's what our job was. I'm also very disappointed that it's going to be so open-ended that probably only four motions will see the light of day, all telling the minister to continue what he's doing.

I don't have any problem with this motion, I don't have any problem with motherhood, but I will be watching the balance of the motions to see if the government can in any way support anything the opposition has to say, or agree with any specific item—because all the other motions are specific—to actually put before the finance minister. If we don't, I think what will be put before him in these four motions will become, and will be viewed by the public as, if they actually look at it, a bit of a laughingstock, because we will have done all that work to produce just this.

The Chair (Mr. Pat Hoy): Mr. Arnott.

Mr. Ted Arnott: I would like to add to what Mr. Prue has said and indicate my view. If this is to be a meaningful process whereby a standing committee, an all-party committee, of the Legislature conducts public hearings on the budget of the province of Ontario, the expense of the travel, the time that was taken by the deputants to make recommendations—if we as a committee don't put forward more specific recommendations than what the government has offered this committee today, we would be rightly chastised by the people of Ontario, by anyone who knows about this. I listened to what the parliamentary assistant said with respect to this motion, in defence of it, indicating that without the details of what the financial projections of the province might be—I would challenge him to go back to the ministry and table whatever additional information they may have that this committee has not been privy to up to this point so that we can make a more meaningful contribution. I would add that our party would like to move an amendment to this motion.

I move that government motion number 4 be amended by adding the words “increasing its level of support, providing the province of Ontario has the fiscal capacity to do so.” This amendment reflects, I think, what the parliamentary assistant has indicated, and hopefully it would enjoy the support of the government members.

The Chair (Mr. Pat Hoy): Are members clear on the amendment? I could read it again, if that's all right with the committee.

Mr. Arnott moves that government motion 4 be amended by adding the words “increasing its level of support, providing the province of Ontario has the fiscal capacity to do so.”

Any comment on the amendment?

Mr. Wayne Arthurs: I think government caucus members can support the amendment as presented. Clearly, we have been and are making significant investments. But our intent here was to set out priorities for the government through this committee to request that the minister consider municipalities, infrastructure and public trans-

it, and, to the capacity that is there, as you've referenced in your amendment, to increase those funds to the extent that the fiscal plan would allow it.

The Chair (Mr. Pat Hoy): Any further comment? Hearing none, I'll call the question on the amendment. All in favour? Carried.

Any comment to government motion 4, as amended? Hearing none, all in favour? Opposed? Carried.

Page 11, opposition motion.

Mr. Toby Barrett: Page 11 is a PC motion with respect to the forest industry. The standing committee on finance recommends that the government takes immediate action to reduce the red tape burden faced by the forestry sector to ensure the forestry sector regains lost competitiveness, including a secure energy supply that is reliable and competitively priced.

To try and be more specific, with respect to the “red tape” portion of this motion, we'll give one example. On September 4, 2007, the Ministry of Government Services announced its intention to adopt the Forest Stewardship Council, the FSC standard, for at least 30% of all virgin paper purchased for its offices. The Ontario government's proposed paper procurement policy indicates an official bias towards one of I think three standards, so a bias towards a single forest management standard. This creates a trade barrier for Ontario-made forest products. It's Ontario government policy that really flies in the face of trying to foster the purchase of Ontario-produced goods and services; in this case, paper.

The second part of this motion specifically refers to energy supply. During finance committee hearings, we were presented with this problem in presentations from people speaking on behalf of the forest sector. It wasn't news to this committee. Certainly for the last three years we've been hearing this message, primarily in north-western Ontario; I think we heard this message in Thunder Bay, where we were told that the province of Ontario should seize the opportunity to establish competitive electricity prices as an economic development tool. More specifically, this committee and the Ontario government was advised, “Do not close Atikokan. Do not close Thunder Bay.” Those are the two coal-fired thermal generating stations.

We are aware on this committee of deputations that we heard two or three years ago in Atikokan. Ontario's forest industry has been and continues to be devastated. It's key competitive issues like red tape and energy supply that threaten the viability and any business certainty within this industry, hence the negative impact on investment.

We also are aware of many mills that still exist, and many mills that exist in southern Ontario. What's good for the north is good for the south, I think it's important for us to realize, those of us that do not live in the boreal forest. I know in the south, there are over 500 manufacturers of forest products, small logging operations to large pulp and paper, that enhance our economy in the south. In southern Ontario, there are well over 300 busi-

nesses that provide the kind of plants and equipment and services that are needed in the north.

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Just these two issues alone, energy and red tape, may be a factor. This is not to diminish the seriousness of the parity with the Canadian dollar and, obviously, the crash in the US housing market; some of this is beyond the extent of the provincial government. But the two motions that we're putting forward can be under the control of the provincial government.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Michael Prue: The deputation made by Jamie Lim in Timmins, I think, was what spoke to this, and I think that's why this motion was put forward. Her comments to the committee were very strong and very balanced. Obviously, that is a sector that's in very dire need of some government funds and in dire need of some government changes of policy.

What the Conservatives have put forward here in terms of the secure energy supply is welcome. New Democrats have said for a long time that the energy supply in northern Ontario, particularly, ought to be more geared to the cost of producing it in that location and ought to be geared, as in the German model, to the ability of the factories and the ability of the forest industry to manage their finances. Certainly, in some countries the cost of electricity is less for industry than it is for individuals precisely because the governments recognize the importance of keeping jobs and productivity going, and I think that this goes somewhat in that direction.

In terms of the red tape, I think the argument that Ms. Lim made was less strong. However, anything that will help the northern Ontario economy, anything that will keep the forestry jobs—those that remain—in place would be welcomed. This is a specific recommendation made by the Conservatives, and I would hope that the government members can support something that is specific.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: I don't believe the government caucus members will be able to support the motion as presented to us.

Certainly, where there is red tape engaged, the line ministries might be a good way to direct that, whether it's MGS or Northern Development and Mines or MNR—whichever may have some jurisdiction in that regard.

We have committed over \$1 billion to the forest industry. Much of it is rolling out everything from \$350 million in loan guarantees, some \$150 million in a prosperity fund for new capital investment and \$140 million in electricity price rebates, of which over \$30 million has been taken up already. So there is substantive and direct and specified action being taken for this sector at this point in time, and I hope that the minister sees fit to continue with that, as these funds are diminished, and refills those coffers.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

I'm going to ask the committee if it would be agreeable that we move to page 13 and then back to page 12 after. Agreed.

We'll go to the opposition motion on page 13. Would one of you gentlemen read it into the record?

Mr. Toby Barrett: This is the PC motion on page 13 regarding the so-called health tax.

The standing committee on finance and economic affairs recommends that the Minister of Finance incorporate into the 2008-09 budget a responsible plan to phase out the regressive, middle-class McGuinty Liberal health tax.

The Chair (Mr. Pat Hoy): Comment?

Mr. Toby Barrett: We've been commenting on this health tax for four and a half or five years now, I suppose. I think we all know it's the largest income tax increase in the history of the province of Ontario. It was unnecessary. I don't know whether I need to say much more about it, really. It was unnecessary. It does not flow to health care; that's a motion that I think is coming up next, on health care. It flows to the Ontario treasury. I give this government credit: It is in keeping with that moniker of being a tax-and-spend Liberal. This has carved that phrase into the historical lexicon.

The other concern is that it's simply fuelling runaway and wasteful spending in other areas. Granted, the health tax has increased revenue; as a result, it has increased spending. We don't see that reflected in an adequate pay-down on the debt, given the revenue that has been accrued. Obviously, this revenue has been accrued because the province of Ontario has had a very good economic run in the last 10 years. However, there are storm clouds on the horizon. We know that even with these high income tax rates, we are losing the manufacturing jobs, the forestry jobs, the agricultural jobs, primary industry jobs, and there is a concern, given what is going on south of the border, that even if you have very high income taxes, it's not going to help the Liberal government tax-and-spend policy if people are not working. Any tax like this is counterproductive for those people who do wish to work hard, for people who do wish to work overtime, for example. It's going to be very troublesome if we see a continued economic decline in the province of Ontario.

The Chair (Mr. Pat Hoy): Further comment, if any?

Mr. Wayne Arthurs: Briefly, I don't believe government caucus members will be able to support a motion that would call for the elimination of the health tax, on two fronts. One, those dollars are being invested in improved health care for people in the province of Ontario, in reducing wait times and providing more health professionals in a part of the budget that now eats up well over 46% of our annual budget availability. I think for us on this side, that debate, at least for the foreseeable future, concluded on October 10.

Mr. Michael Prue: I'm going to support the recommendation made in motion 13. I'm doing so because I see it differently phrased than in past motions and past statements made by the Progressive Conservative members.

What they're saying here is that the Minister of Finance incorporate into the budget a responsible plan to phase out the health tax.

It is our view that the health tax is regressive. I don't think any member of the Legislature would think that this is a progressive tax. It hits people at the lower end of the spectrum much harder than it hits people who earn a lot of money. Certainly, if you earn in excess of \$250,000, you pay the same as people who earn significantly less than you down the scale. There's a maximum to what you can pay.

We think this is a responsible way to deal with this: to phase it out, to find alternative sources of revenue. I would suggest the income tax system is probably the best, that people pay according to their means. All that is being asked here is that a responsible plan to phase it out be incorporated. It makes a lot of sense to me that if you have a system of taxation which is not fair and which everyone knows is not fair, you phase it out in favour of something that is fair. I'm going to vote for this.

Mr. Ted Arnott: We welcome Mr. Prue's support and thank him very much for his indication that he wishes to vote for this.

I'd like to go back to 2003. We remember that election campaign when Dalton McGuinty went on television with his main television ad, looking into the camera and saying, "I will not raise your taxes." Of course, we recall that very first Liberal budget in 2004 and the shock of the massive tax increases that were included in that budget. We recall the elimination of OHIP funding for chiropractic and physiotherapy, as well as optometry services, when the Liberals had promised not to cut services in health care. We recall the anger that existed amongst our communities in people I met after the budget, which was very significant. We also recall that at that time the government was trying to get away with calling this a health premium. I assumed they had done some focus group testing, perhaps some polling, which indicated that a premium might be more politically acceptable. But as it turned out, of course, we found out that this is not a premium, in the conventional sense; it is actually a brand new provincial income tax that the government claims they will be putting into health care. A few months later we found out that the money was not going directly into health care but was going into the consolidated revenue fund at the province of Ontario, and in many cases the money was not going into health care at all.

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All of this gets us to today where, as Mr. Prue rightly points out, this is a regressive tax in that higher-income people pay less as a total percentage of their income than lower-income people. Our party has been committed to phasing this out. I think it's important to point out as well that this tax raises about \$2.6 billion for the province of Ontario. But it's interesting to point out that the government's increased expenditure since they took office in 2003 is more than \$20 billion, which is another fact that

needs to be put forward in terms of the consideration of this issue.

Lastly, I would point out my continued discomfort with the Minister of Health when he continuously claims in the Legislature that our party, in terms of our commitment to, over time, phasing out the health tax by \$2.6 billion, is in fact in favour of taking \$2.6 billion out of health care, which couldn't be further from the truth. I think it's also important to point that out. I think it's possible to do this in a responsible manner, and I believe it's something the government should consider doing in its upcoming budget.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? All opposed? The motion is lost.

Now we'll go back to NDP motion number 12. Mr. Prue.

Mr. Michael Prue: Thank you very much. It's a long motion and it reads as follows:

Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that in its 2008-09 budget, the government:

- commit to an immediate staffing standard of 3.5 hours of nursing and personal care per resident per day in long-term-care homes. This would require a funding commitment of approximately \$700 million;

- commit to funding community health centres, CHCs, and aboriginal health access centres, AHACs, to provide publicly funded oral health care such as check-ups, fillings, extractions and emergency care to all Ontario children who have been shut out by the high cost of dental care. This would require an initial cost of \$100 million in annual funding;

- commit to completing a provincial network of CHCs and AHACs in order to ensure that every Ontarian who needs access to CHC/AHAC primary health care can access these services. This would require the establishment of no fewer than 20 new CHCs and AHACs per year over the four-year mandate of the government, starting in 2009-10, and would cost \$5.5 million in 2008-09. The government should also eliminate the second-class status of aboriginal health access centres, AHACs, and the clients they serve by providing \$14.6 million in new annualized funding to Ontario's 10 AHACs in 2008-09. This funding will enable AHAC clients to access services on par with those delivered to clients at Ontario CHCs;

- commit to ending the three-month wait period for OHIP coverage required of newly arrived immigrants. Ontario should take its place with the nine provinces and territories that have seen the value in relieving new immigrants of this additional burden. This would cost approximately \$5 million per year.

To speak to that, if I could, there are a number of items here. The first is the immediate staffing standard of 3.5 hours. This would bring Ontario to the average staffing level in Canada. We certainly are now amongst the lowest. It would bring us on par with Alberta, Saskatchewan, Manitoba and BC. Certainly it was part of what

was promised by the government over the last four years, but not implemented. It is fairly expensive, it will cost \$700 million, but I think all of us agree that our seniors, those who have helped to build this country, some of whom have fought for this country, deserve a much better standard than they currently have. Certainly having them lie there in soiled diapers for hours on end because the personal care is not there is not the answer.

The second one relates to the CHCs and the AHACs. This is oral health. The government ran on a platform of some \$60 million being spent on oral health. We think that by expanding that a little to \$100 million, you will be able to virtually reach all children in the province of Ontario. To do checkups, fillings, extractions and emergency care, \$60 million, in our view, will not cut it. What this in fact is asking the government to commit is \$40 million more in this budget than they actually promised during the last election.

The third item is to understand that there is a need for CHCs and AHACs and that they have to be expanded at a cost of some \$5.5 million in this fiscal year. The more important part of this motion is that the second-class status of aboriginal health access centres and the clients they serve needs to be addressed. We had, I believe, some 20 or more deputations made by First Nations communities in our travels, particularly in northern Ontario but also in southern Ontario. They described, poignantly and with great emotion, how they are having to deal with their issues of isolation, with their issues of poverty, with the second-class status that they are accorded throughout much of Ontario. This government has seen fit, and I think wisely so, to have a new minister responsible for aboriginal affairs, hopefully for a new day for our First Nations citizens of Ontario. We are asking that \$14.6 million in new annualized funding be put forward as a commitment of this government to actually act on the promise of better health care and better care in general for our First Nations communities, which have been neglected for far too long.

Last but not least, we are asking that Ontario join the other nine provinces and recognize that new immigrants—that is immigrants; it's not visitors, it's not refugee claimants, it's not people who are illegally here, but new immigrants who have arrived and who have their papers and who are here for the long term—have access to health care. This will cost approximately \$5 million a year. It should be our commitment as a province to these new immigrants that they matter, that we care, that if they have a health problem within the first three months of their arrival in Ontario, it will be addressed and it will be looked after. To simply say, "We're not going to look after you," that there's some kind of standard that you have to be here for three months, is totally wrong.

This Legislature went forward and voted unanimously to take away the three-month requirement for armed services personnel who come to Ontario for the first time. They don't have to wait three months. It was a good thing to do; it was a wise thing to do; it was a compassionate thing to do. I am asking the government to

consider supporting the \$5 million to show the same foresight and the same compassion to people who have chosen Ontario as a place to live and who have come from elsewhere in the world. That \$5 million will alleviate an awful lot of suffering, particularly for those immigrants who come from the Third World and who may not have the funds to purchase expensive health insurance prior to their arrival in Ontario. I'm asking the government to support these measures and to forward them to the finance minister.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: I don't believe the government caucus members can support the motion we have before us. One of the challenges is the multiple recommendations. Although one may be a \$5-million recommendation, another one is \$700 million; another one is \$100 million.

Just to speak to a couple of them, over the past four years or so we've made about an \$800-million additional investment in long-term care, which involves some 6,100 staff, including some 2,300 nurses, to provide for a better level of care. We can debate whether those that have a higher standard necessary for their care and maybe those with a slightly lesser standard of care necessary—and you want to ensure to the best you can that you're providing the care required and necessary within the fiscal capacity. We did commit to a dental program, and I'm anxious to see that program rolled out within the context of our budget and within the context of our campaign commitment.

1130

The Chair (Mr. Pat Hoy): Further comment?

Mr. Michael Prue: Recorded vote.

Mr. Ted Arnott: I want to indicate that I want to support the spirit of Mr. Prue's motion, if not necessarily all the specifics. Given the fact that we heard from a significant number of advocates for aboriginal groups while we were travelling, particularly in northern Ontario, I think that this committee's recommendations should reflect some of the concerns that we heard.

I would like to make specific reference, as well, to Mr. Prue's motion, with respect to nursing homes. My understanding and recollection is the Ontario Long Term Care Association had asked for a commitment to provide at least three worked hours of personal care for each long-term-care resident, an increase of 20 minutes. Mr. Prue's motion is asking for 3.5 hours of nursing and personal care per resident, per day, in long-term-care homes.

I had the chance to visit two nursing homes in my riding in the last week. I was invited to visit Extencicare in Georgetown as well as Royal Terrace in Palmerston, in my old riding, and had a chance to meet with staff and residents. I really believe that it's important that we show support for the needs of our residents of long-term-care homes in the context of these budget discussions.

On that basis, I want to support this motion and support the principle behind what the member is advocating, and I would encourage government members to do the same.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Prue has asked for a recorded vote.

Ayes

Arnott, Barrett, Prue.

Nays

Aggelonitis, Arthurs, Broten, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

We have dealt with the one on page 13. Next is the opposition motion on page 14.

Mr. Toby Barrett: The PC motion is titled "Long-term care." The motion is as follows:

The standing committee on finance and economic affairs recommends that the Ministry of Finance act on their 2003 promise to provide \$6,000 in additional care to every resident in long-term-care homes and eliminate 3-4 bed wards.

The Chair (Mr. Pat Hoy): Comment?

Mr. Toby Barrett: Just briefly, by way of discussion, there are well over 35,000 seniors who are still living in long-term-care homes that are set at the standard of 1972. The current levels of funding from the McGuinty government do not allow the long-term-care homes to provide the level of care and the kind of services that people in these homes require.

Mr. Michael Prue: I will be supporting the motion. It's not as all-encompassing as the one I made previously, but it does deal with one very key issue, and that is making sure that our seniors are looked after in long-term care. I know the government is committed to phasing out the three- and four-bed wards; what this is asking is that it be done in this budget.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Ted Arnott: I would like, of course, to indicate support for my colleague's motion in this regard. During the most recent election campaign, I called upon the government to ensure that there would be a significant capital investment to improve long-term care, to ensure that residents aren't forced to live in wards with three and four beds and that they receive the compassionate care that they deserve and that we're obligated to give to them.

I had the chance, as I said earlier, to visit two nursing homes in my riding fairly recently and others in the past through the years and to see some of these four-bed wards where people are literally sandwiched into a small room with only a very small amount of room even to turn around. Of course, with the lift equipment that sometimes is included in the room to help them out of their beds—even allowing them an opportunity to bring one piece of furniture from home so that they feel like there's still some semblance of home in a four-bed ward—these rooms are extremely crowded. If any of the members of the committee have not had the opportunity to tour one of these rooms, I would strongly encourage them to do so. I

think they would come away with a renewed understanding of why this is needed, why the government needs to make this a priority, to ensure that our senior citizens have a decent standard of living in their long-term-care homes.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Page 15, opposition motion.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends that the Minister of Finance implement e-health initiatives immediately.

The Chair (Mr. Pat Hoy): Comment?

Mr. Ted Arnott: Again, this comes from the PC election platform, where our leader John Tory made a very strong commitment with respect to moving forward to ensure that every patient in Ontario has an electronic health record. We believe this would create circumstances whereby care would be improved and efficiency would be found, hopefully ensuring that money could be saved in terms of the delivery of health care that could be plowed back into front-line services.

I think in 2008 this needs to be made a higher priority by the provincial government. I was even reading an article a few days ago in one of the Toronto dailies by the president of the Canadian Medical Association, who reiterated the need for this to ensure that our patients receive the high quality of care that they deserve. Again, I believe that it's something that has to happen. I believe that the provincial government needs to provide leadership in this regard and that we need to move quickly with it. I would encourage all members of the committee to support this motion.

Mr. Michael Prue: Just a question of the mover: How much is this going to cost and what are you asking the Minister of Finance to spend on this?

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: It's not a comment; it's a question.

Mr. Toby Barrett: Was it a question directed to us?

Mr. Michael Prue: Yes, it was a question. This is not specific enough for me. Can you tell me how much this is going to cost and what kind of budget you are asking the Minister of Finance to put forward to implement this?

Mr. Toby Barrett: I don't have those figures here, sorry.

Mr. Ted Arnott: I'd like to get back to you as soon as I possibly could. I don't have that information in front of me at the present time, but I would certainly commit to getting back to you as soon as I possibly could with a detailed answer to that question. If you feel you can't support the motion, I can accept that, but we'll certainly try to get back to you as soon as we possibly can.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: Although government caucus members can support e-health initiatives, as I heard the mover of the motion speak specifically to the immediate implementation of the e-health records, which has been a challenge for his government when they were there and

remains a challenge because of the magnitude of being able to put that in place, government members could not support a motion the clear intent of which is the type of investment needed, even if it could be done, to immediately implement an e-health record strategy. It will take time for that to occur, but there are other e-health initiatives that are ongoing that I'm sure all members are anxious to see roll out over time. But the government can't support this particular recommendation.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Ted Arnott: I appreciate the comments in response from both members and I would refer them to the article that appeared in the *National Post* on February 27, written by the president of the Canadian Medical Association, who says:

"Becoming a world leader in health requires strategic investment and focus in areas such as improving the use of information technology (IT) and better health workforce planning.

"Canada currently spends just a third of the OECD average on IT for our hospitals. This is a significant factor in Canada's poor record in avoidable adverse effects and hospital deaths. We must document, measure and analyze all data relating to hospital, physician and patient services. Patient care and safety often require us to share medical information. Without electronic health "records this is cumbersome and inefficient."

Again, with respect to the question that was asked by Mr. Prue, my belief, certainly, and some of the advice we're getting from health professionals and those who are working in the field would lead us to conclude that this will actually save money in many respects. I believe over time the upfront investment will be recouped, but we'll also see better patient care. I think whatever money is saved could be driven back into front-line services like hiring more doctors, more nurses, more medical technicians, reducing waiting lists—all of these things that should be the goals of all of us, as members of the Legislature.

1140

The Chair (Mr. Pat Hoy): Further comments? Hearing none, all in favour? Opposed? The motion is lost.

Number 16, PC motion. Mr. Barrett.

Mr. Toby Barrett: Page 16 is titled "Health promotion sports tax credit."

The standing committee on finance and economic affairs recommends the Minister of Finance, within total planned program spending, create a provincial health promotion sports tax to match or exceed the federal children's fitness tax credit to children in sports under the age of 16.

The Chair (Mr. Pat Hoy): Comment?

Mr. Toby Barrett: Just by way of discussion, the provincial Liberals promised a tax credit for children's fitness in the last election. This is a good thing. This is a good idea. It's in the best interests of all to encourage children and their parents to enjoy and maintain a healthy and active lifestyle, and if we cannot continue to do this, not only through fiscal measures like a sports tax credit

but also through a myriad of options that are available, through information and education and health promotion—I noticed an excellent television commercial this morning with two actors who looked like they were under 16. One kid was acting as if they were in their 70s or 80s. One child was in a wheelchair and the other was washing the driveway, as I recall, and they were involved in the kind of discussion that you would expect to hear from people in much later years in poor health.

Government does have a role here, not only by spending money but also by setting the bar a little higher with respect to health promotion, which is essentially, in many ways, disease prevention, and much of that can be done through education and information.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Michael Prue: In fact, it's a question. Can you tell me how much the federal government is spending on this program? I would anticipate, since we have 40% of the population, about 40% of that would come to Ontario, and hence, I would be able to understand how much you're asking be included in the budget. You want to at least meet or exceed, so it'll be 40% of whatever the federal government is spending at this point. How much is their tax credit costing?

Mr. Toby Barrett: I can't answer that question, but we do know that in the election platform, there was a promise, if you will, of a tax credit. At least we could get an estimate of the cost of a tax credit like that.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: The government caucus members wouldn't say this is a priority to recommend to the finance minister in this budget, subject to the opportunity of a newly minted Minister of Health Promotion, who is a new member of this Legislature as well, to bring forward priorities, as she saw them, within her mandate, through the campaign document.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Page 17, a PC motion. Mr. Arnott.

Mr. Ted Arnott: The standing committee on finance and economic affairs recommends the Minister of Finance commit in the 2008 budget a community-matching funds program for community-driven and wholly funded children's health initiatives, such as the South Nepean Autism Centre, whereby all funds raised locally would be matched by the provincial government pending.

The Chair (Mr. Pat Hoy): Comment?

Mr. Ted Arnott: This is a motion that was put forward within our caucus by Lisa MacLeod, my colleague. It is obviously an issue that is of sincere concern to her in her riding. She has added her statements, as well, in terms of advice to us, that Ontario is home to thriving children's health organizations and many of these grassroots children's health organizations do not receive provincial assistance for providing health resources in their communities. Operational funds are provided, instead, by local community fundraising efforts. In particular, the South Nepean Autism Centre is one such organization

that operates fully on community funding, approximately \$40,000 annually. This program supports children and their families with autism. In the past, they have applied for funding through the provincial government and been denied. So the effect of this motion would be to ensure that the community fundraising efforts of this organization and others would be supported by the provincial government, and provide an additional incentive with dollar-for-dollar matching. It's something that I support and encourage all members of the committee to support as well.

The Chair (Mr. Pat Hoy): Comment?

Mr. Wayne Arthurs: The government caucus would have difficulty supporting this motion. Although it speaks specifically to one particular facility, obviously it's intended to address others. To support a motion that would provide for direct dollar-for-dollar matching of community money would be unusual. Certainly, access to things like the Trillium fund—I believe it's now at about \$110 million annually, and increasing \$5 million a year to \$120 million—is one of the resource capacities that's available, but the long history of community-driven fundraising for things like hospitals didn't envision dollar-for-dollar support. So government caucus would certainly have difficulty supporting this particular motion, in spite of the fact that we need to have resource capacity for treating children and supporting their families in the community.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Page 18, official opposition motion.

Mr. Toby Barrett: PC motion on page 18 titled "Drug treatment facility for youth: eastern Ontario": The standing committee on finance and economic affairs recommends the Minister of Finance recognize the barriers to treat eastern Ontario youth with substance abuse and addictions and commit in the 2008 budget the \$5 million needed to create a residential 12-step drug treatment facility within the region to serve approximately 200 youth annually in eastern Ontario.

The Chair (Mr. Pat Hoy): Comment?

Mr. Toby Barrett: The rationale, as you'll see in the preamble to the motion, is that a need has been identified in the city of Ottawa for a residential treatment facility for young people with substance abuse. In partnership or in discussion, the city of Ottawa and the Champlain Local Health Integration Network have identified a residential treatment facility for young people with problems. They've identified this as a priority and are in the planning stages. The proposed 12-step facility would open up 40 beds for young people addicted to, I would assume, alcohol or dependent on alcohol or other drugs and the myriad of social, economic and cultural problems that go along with this.

I would expect that this motion was put forward by MPP Lisa MacLeod. I don't have any further details on what the LHIN and the city of Ottawa are recommending here. Of course, residential treatment, I assume, is 21

days; I don't know; it may be longer. For these kinds of treatment programs, it's advised that they also be operated in conjunction with outpatient and operated in conjunction with other approaches, whether it be drop-in centres—and obviously work in the schools and work with the police. When I say police, I don't strictly mean enforcement at the schools; I'm talking about information and disseminating as much knowledge as possible for young people as far as what they may or may not be getting in trouble with with substance abuse.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: This is a problem that goes far beyond Ottawa. I had a meeting the other night with some 15 parents at my constituency office, most of whom were from Beaches—East York. Some came from further away: One came from Oakville; one came from York region. Their children are being sent to Utah; they are being sent to New Brunswick; they are being sent to Virginia. They are all being sent outside of Ontario because we really have no treatment facilities at all to speak of for problem children, and especially for those with long-term need. Some of the programs last six or seven months, not just 21 days, and they are very concerned (a) that the government initially does not pay at all; and (b) that when the government does pay, they are forced to go through many, many hoops in order to get the kind of care that is necessary to save the lives, literally, of their children.

1150

I support this motion but I think it's being far too Ottawa-centric. What the motion should be reading, and perhaps the movers may want to amend it or allow me to do so, is that treatment facilities be set up throughout Ontario so that Ontario does not have to send its children outside of our jurisdiction, either elsewhere in Canada—to New Brunswick, which has a facility—or, more often, to facilities in the United States, in Virginia and Utah. We should be doing these things ourselves. I don't know if you are amenable to a friendly amendment, but I think that to just do it for Ottawa is not doing a service to the literally hundreds of children throughout the province who are in desperate need of such a facility.

Mr. Toby Barrett: Thank you, Mr. Prue. I would welcome an amendment, and I hear what you're saying. Many of these problems are province-wide and have been for many, many years. I think of the early 1980s in southern Ontario. There was a transfer of a lot of people to residential programs from the Toronto-Hamilton area to Buffalo. I visited that program in Buffalo. It was an excellent residential program, but it didn't take the Ontario government of the day to figure out that the kind of assistance and care and counselling that these young people were receiving in Buffalo could easily be provided in Ontario. It was just freeing up some beds and putting some resources into creating some more beds. They weren't being sent to Buffalo at that time for surgery or techniques that could not be done in Ontario. The government of Ontario and its various agencies have had a great deal of experience in dealing with alcohol and

drug treatment. They have always had an excellent track record in dealing with these kinds of problems, and if it's just a shortage of beds, to my mind, there really isn't a need to have people leave the country for alcohol or substance abuse treatment. So I would welcome a brief amendment if the committee had time to entertain that.

The Chair (Mr. Pat Hoy): Mr. Prue?

Mr. Michael Prue: Then what I would do is, within the body, strike out in the second line the word "eastern" Ontario, so that it reads "barriers to treat Ontario youth with substance abuse and addictions and commit in the 2008 budget the \$5 million per institution needed to create a residential 12-step drug treatment facility within each participating region to serve youth"—take out the "200," and take out "in eastern Ontario."

The Chair (Mr. Pat Hoy): Very good. If we could get that in writing from you—

Mr. Michael Prue: Sure.

Mr. Toby Barrett: My only concern is that they've identified a need for \$5 million for this Ottawa institution.

The Chair (Mr. Pat Hoy): Let's speak to the amendment as moved, then.

Mr. Toby Barrett: Oh, I'm sorry.

The Chair (Mr. Pat Hoy): Are people understanding the amendment?

Interjection.

The Chair (Mr. Pat Hoy): Very good. I've asked for it.

Mr. Michael Prue: And I'll do it as soon as I can, obviously. I'll do it over the lunch hour.

The Chair (Mr. Pat Hoy): Can we speak to the amendment in the interim? Okay; very good. Do you want to speak to the amendment now?

Mr. Toby Barrett: Once we read it, I guess, yes.

The Chair (Mr. Pat Hoy): The only other thing to do would be to take a recess while we get it printed.

Mr. Michael Prue: It's 5 to 12. Might I suggest that it be stood down and brought back, and we can deal with one more?

The Chair (Mr. Pat Hoy): No, we have to work at this—

Mr. Michael Prue: Then I would suggest, since it's 5 to 12, let's break. By the time I write it, it's going to be after 12 o'clock.

The Chair (Mr. Pat Hoy): Are we agreed to have the member write it and come back at 1—to recess now?

Mr. Toby Barrett: Motion to recess.

The Chair (Mr. Pat Hoy): Are we agreed? Agreed. We'll recess and we'll reconvene at 1 o'clock.

The committee recessed from 1155 to 1302.

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order.

We were discussing the motion on page 18, and Mr. Prue had moved an amendment. You should have that amendment at your desks now. Maybe I'd ask you to read it again in its totality.

Mr. Michael Prue: Okay. I'll read it again. The amendment reads:

The standing committee on finance and economic affairs recommends the Minister of Finance recognize the barriers to treat Ontario youth with substance abuse and addictions and commit in the 2008 budget the \$5 million per institution needed to create a residential 12-step drug treatment facility within each region to serve youth.

The Chair (Mr. Pat Hoy): So moved. Any comment to it?

Mr. Michael Prue: If I could, yes. As I was saying before, because we have some new members of the committee who have joined us, the original motion confined it to eastern Ontario. Although I have no doubt that eastern Ontario needs such a facility, so do people elsewhere in the province. This past week, I had a meeting of 15 parents from the GTA who came to my office to talk about a facility. One of them was from Oakville, who said they had met with MPP Flynn on this issue and that there was nowhere for their children to go. They were forced to go to Utah, to Virginia, to New Brunswick, and oftentimes they had to do so by spending their own money. Occasionally it was reimbursed after they jumped through many hoops; sometimes it was not. They all were of the opinion that we needed some residential facilities the children could be sent to in Ontario, that it was not fair that they were sent out of the country, or even out of the province. Hence, when the Conservatives put forward this motion, I felt obliged to speak to those issues of the people from the GTA as well as, and including those, from the Ottawa area. We do need many of these facilities, and it makes no sense to me to be spending money to send them to treatment facilities in the United States. It's obviously far more expensive to taxpayers than doing it here.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: I just need to know whether this motion as it now stands is the principal motion or simply an amendment, and how we will deal with the balance of it.

The Chair (Mr. Pat Hoy): We're speaking to the amendment.

Mr. Wayne Arthurs: Okay. Thank you.

The Chair (Mr. Pat Hoy): Mr. Arnott.

Mr. Ted Arnott: I just want to thank the member for bringing forward this constructive and friendly amendment. I'll be supporting it.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, this vote is on the amendment.

Mr. Michael Prue: Recorded vote.

Ayes

Arnott, Prue.

Nays

Aggelonitis, Arthurs, Flynn, Rinaldi.

The Chair (Mr. Pat Hoy): The motion is lost.

Now we are talking about the original motion; it's not amended. Any other comment?

Hearing none, all in favour? Opposed? The motion is lost.

Now we move to number 19, the official opposition motion.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends that the Minister of Finance include roads and highways in the new streamlined environmental assessment process to accelerate the mid-peninsula corridor process and see it completed within a defined and accelerated time frame.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: This particular motion has come from our colleague in the Legislature Tim Hudak, the member for Niagara West—Glanbrook. This indicates his interest in this highway project. For my part, I strongly believe that we need to ensure that environmental assessments of road projects are thorough, but I also believe that in many cases they take far too long. Even when I make inquiries with the Ministry of the Environment with respect to the status of environmental assessment undertakings, I can't get answers. They won't even respond to basic inquiries about status.

I think it's important that we ensure that all government processes are reasonable and are concluded in a reasonable time frame. Mr. Hudak has indicated that the current environmental assessment on roads and highways can take up to two years. There is of course a new, streamlined EA process for transit projects that would have strict time limits. The mid-peninsula corridor highway development would bring substantial economic benefits to Niagara, Haldimand, Hamilton and the western GTA and, it is believed, would dramatically increase highway safety, improving the environment by reducing gridlock and helping to create a dynamic North American trade corridor.

The Chair (Mr. Pat Hoy): Mr. Prue.

Mr. Michael Prue: I have a question, first of all, of the mover. Is this related only to the new, streamlined process for transit? Because there's also a streamlined process for energy production. In that one, the municipalities themselves were frozen out of the process and could no longer hold environmental assessments or even comment on the environmental assessments before the Ontario Municipal Board. I need to be very clear on whether you are attempting to freeze out the municipalities in this motion.

Mr. Ted Arnott: Not at all. We would certainly invite the participation and discussion of municipalities. But I also think that having a defined time frame would assist in terms of certainty and ensure that the Ministry of the Environment got the job done within an expected time frame, similar to what they are expected to do with transit projects.

Mr. Michael Prue: Would the municipalities still have access to the Ontario Municipal Board following the Ministry of the Environment decision?

Mr. Ted Arnott: The motion doesn't make any reference to OMB hearings after the decision. I would assume that that would be the case if indeed this motion were passed by this committee and the government accepted the recommendation that the committee is putting forward.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: Yes. Having heard the explanation, I am a little leery—and I hope that the member is right—because it was quite contentious in my riding and in the Toronto area, following the government curtailing the rights of the municipality of Toronto to comment on the Portlands energy project. It took it right out of the city of Toronto; it took it right out of the Ontario Municipal Board. Once the decision was made, the citizens, all of the commenting agencies, the city of Toronto, the mayor and the councils were rendered useless; they couldn't do anything.

1310

I don't think that's where the member is heading with this. If it is, I would definitely not support it. But given his statement, that they would still be within the process and it would simply help to speed it up, I don't have any objections to it being speeded up. But certainly I would in no way support this if I thought it was going to take away anyone's rights to comment or oppose or the structure that is in place to ensure citizen involvement. So upon his explanation, I will support it, but should I find out later it's not true, I will become a vociferous critic.

The Chair (Mr. Pat Hoy): Any further comment? Hearing none, all in favour? Opposed? Lost.

Number 20, an NDP motion.

Mr. Michael Prue: "Real action on the environment": Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its 2008-09 budget,

(1) allocate funding for the development and implementation of an Ontario climate change plan in order that Ontario can reduce its greenhouse gas emissions to 6% below 1990 levels by 2012, as required under the Kyoto Protocol. Ontario must take immediate action to develop and implement a plan that—at a minimum—reduces greenhouse gas emissions in keeping with established Kyoto targets.

(2) establish Ontario climate bonds which will be available to the public and institutional investors and provide the bulk of capital required for low-interest loans to retrofit 600,000 single residences, 200,000 slab apartments (pre-1977 buildings) and 25% of existing commercial and institutional buildings over the next four years, resulting in a total greenhouse gas reduction of 4.8 megatonnes (CO₂e) by 2012.

The Chair (Mr. Pat Hoy): Mr. Prue, you said "200,000 slab apartments." Did you mean—

Mr. Michael Prue: Did I say that? Excuse me. I mean "2,000," as written.

The Chair (Mr. Pat Hoy): Comment, if any?

Mr. Michael Prue: It's a fairly simple motion. The government of Ontario, and the Liberals in particular,

have stood up for the Kyoto Protocol, and this has been discussed many times in the House. We think this budget is an opportune time to literally put your money where your mouth is. In order to make this happen, the low-interest loans established through the Ontario climate bonds would be the ideal mechanism. It would allow anyone who was interested in actually reducing our carbon footprint to come forward and put their money up. The climate bonds would then be used to assist people in their residences, workplaces, and commercial and institutional buildings to reduce the carbon footprint by making the necessary changes in terms of heating, in terms of insulation. In order to meet the Kyoto Protocol by 2012—which we, as a signatory nation, are required to do—here in Ontario we would have to reduce greenhouse gas emissions by 4.8 megatonnes of CO₂. This would be an ideal opportunity, at very little cost to the government, to institute such a plan and to put it back to citizens to see whether in fact they were willing to buy those bonds to effect that change.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Ted Arnott: I want to thank the member for bringing this forward. I think it's a very interesting idea, especially the idea of the Ontario climate bonds. If this is to be a meaningful exercise, as members of the standing committee on finance and economic affairs, this is exactly the kind of idea that should be reflected in our final report to the minister, at least offering suggestions and ideas of what might be considered in the budget. The idea of Ontario climate bonds is something that I think would be embraced in my riding by a lot of people who would be willing to invest some of their money, some of their hard-earned after-tax dollars, into a program like this. I personally would be prepared to encourage people to do so in my riding, and would hope that the government will see fit to allow this motion to pass.

In terms of the climate change plan, I recall being present when former Vice-President Al Gore came to the University of Toronto to give his An Inconvenient Truth speech. He was introduced with great fanfare by the Honourable David Peterson, the former Liberal Premier of Ontario. I also recall reading the Environmental Commissioner's report just before the election, which was entitled *Neglecting Our Obligations*. It was harshly critical of this government's unwillingness and inability to come forward with a climate change plan of any sort. So I think on that basis there is good reason to support this motion and I'll be voting in favour of it.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: I can tell you that, in my view, government has been acting on environmental initiatives on an ongoing and progressive basis: rebates for home energy audits, the empty container returnables, renewable energy resources, the largest solar project in North America, a number of ongoing heat and power co-generation projects that are under way. So I think there's a pretty aggressive conservation and demand management project in place as well at this point. I know we look forward to that continuing.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: Recorded vote.

Ayes

Arnott, Prue.

Nays

Aggelonitis, Arthurs, Flynn, Rinaldi, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Motion 21, from the official opposition.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends that the Minister of Finance include roads and highways in the new plans to streamline the EA process.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: In support, I would add the following comments. The current environmental assessment process on roads and highways can take, on average, two years. Of course, as we talked about earlier, the current government is planning on streamlining the EA process on transit projects with strict timelines. Again, we would recommend that there be some strict timelines added to the process for determining whether or not roads and highways are going to be built, without compromising the basic integrity of the environmental assessment process.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: I'd just suggest that potentially the MTO or MOE might be a better direct avenue to get the voice of streamlining the EA. The current initiatives—quite right—on transit streamlining are on green projects primarily, and to establish within the capacity available, I guess, how effectively you can streamline the process to protect the environment, particularly for green projects.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 22, an official opposition motion.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends the Minister of Finance commit in the 2008 budget an initiative that would assist individuals living in mobile home parks, such as those living in Lynwood Gardens, to better meet the high costs for equipment and water testing due to unsafe drinking water from landlord-owned communal wells.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: This was brought forward by one of my caucus colleagues. In support of this proposition, we are saying that the provincial government does not offer any assistance currently to Ontarians living in mobile home parks who do not have access to clean, drinkable water. Whereas there is a significant cost for mobile home park residents who cannot afford to pay the additional charges for water testing and infrastructure up-

grade, and whereas every Ontarian deserves clean, drinkable water, we would advocate for this motion.

I certainly know of a number of trailer parks in the riding of Wellington-Halton Hills that I was canvassing in the fall of 2007, and this came up at the door on numerous occasions. I would agree that there should be some provincial assistance to allow some of these parks to have the assurance of clean and safe drinking water that they otherwise cannot afford if they don't have provincial assistance.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 23, an official opposition motion.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends that the Minister of Finance extend the self-directed risk management program until such time as fruit and vegetable growers have access to affordable production insurance covering all of Ontario's fruit and vegetable crops.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: Again, in terms of my service to the people of Wellington-Halton Hills, this issue has come up on a number of occasions from fruit and vegetable growers. We know that as a result of the increases in the minimum wage, the fruit and vegetable growers are facing a substantial increase in their labour costs, and I hear about that. Of course, we also are aware that the produce prices in the Canadian market have dropped 6.5%, while input costs continue to escalate. So the intent of this motion is to provide some assistance to those farmers so that they can continue to survive, and ensure that Ontario has the capacity to feed itself going forward.

1320

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Page 24, official opposition motion.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends the Minister of Finance commit in the 2008 budget to form a Rural Heritage Protection Fund which would assist rural communities in designating and maintaining properties of significant provincial and national importance, such as Dickinson Square in Manotick, which is home to Sir John A. Macdonald's campaign headquarters, and the founder of Ottawa, Moss Kent Dickinson's, home.

The Chair (Mr. Pat Hoy): Comment?

Mr. Ted Arnott: Again, this is a motion that was recommended by my colleague Lisa MacLeod. I've had the opportunity to tour this particular heritage site and would concur with her that there needs to be some provincial assistance to enable the municipality to protect it going forward. There is a significant cost to rural communities who are attempting to maintain, preserve and protect historical sites in Ontario; we know that, and we know it's important that the province protect these places of historical value for future generations. Ontario is home to historical treasures such as Dickinson Square in Man-

otick, which is the site of Watson's Mill, one of the few remaining grist mills in Ontario; the home of Ottawa's first mayor, as I said before, Moss Kent Dickinson; and the campaign office of that great Canadian, Canada's first Prime Minister, Sir John A. Macdonald.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: I'm a huge fan of heritage, but I'm just wondering here, are the rural municipalities at any more of a financial difficulty than small towns and cities across Ontario? I know all of them are struggling to maintain heritage buildings, and in many, many places those heritage buildings are being torn down or are very much at risk. We can see that they're struggling to keep one of the blocks in downtown Hamilton. The city of Hamilton, which is probably the third-largest municipality in Ontario, for the Lister Block, does not have the financial wherewithal either. I'm just wondering if it is too prescriptive to just mention rural heritage. Should we not be talking about all of it?

Mr. Ted Arnott: I would argue in general that small rural municipalities have, by definition, a more restricted tax base upon which to embark on these sorts of programs. Certainly, I wouldn't suggest that cities and larger towns aren't experiencing the same sorts of situations and pressures. I would hope that when the provincial-municipal financial review is released, ultimately—the government says it's coming out in late spring—perhaps in some way it will touch on this issue. But I would still put forward the motion in the hope that government members might support it on behalf of Lisa MacLeod, my colleague.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: I think that Mr. Prue certainly has touched upon an important element, the protection of heritage buildings beyond the rural setting. There are challenges throughout the province in that regard. We obviously have to have some concern about the national interest in this and what level of participation they would have on the protection of some of these buildings. You picked the reference of Sir John A. Macdonald's campaign headquarters or whatever else it may be. I think there's a need for the federal government to engage as well.

If the member wanted to make a small adjustment to it, as Mr. Prue was maybe suggesting without putting specific words to it, and speak simply to a heritage protection fund and remove the word "rural" from it where it says "assist rural communities," I think some of the government caucus would see fit to support this particular motion; if it had a little broader appeal.

The Chair (Mr. Pat Hoy): Are you putting forward an amendment?

Mr. Wayne Arthurs: My suggestion is to the mover of the motion. It's their initiative, and the change we're suggesting might be supportable would be one that he would have to think about. I'm not leading the motion itself.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: If the government is not willing to put forward such an amendment, I certainly will, because I agree with the sentiments. I just want to make sure that it is more broadly defined than simply "rural communities." We have 480 municipalities in Ontario, and most of them are not totally rural, and all of them are under these kinds of constraints, including big cities like Hamilton, Toronto and Ottawa.

I would move to delete the word "rural" where it exists, so that it reads, "to form a heritage protection fund which would assist communities in designating and maintaining properties of significant provincial and national importance..." I would leave in the examples, because I think they're good examples. Literally, what we would do is drop the word "rural" and ask the government to set up such a fund.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Ted Arnott: I'm just going to add that this is how this committee is supposed to work.

The Chair (Mr. Pat Hoy): Any comment on the amendment? We don't have this in writing, but it's the removal of just one word, "rural."

Mr. Michael Prue: It's the deletion of two words, one in capitals and one without.

The Chair (Mr. Pat Hoy): It's one word, but it appears twice. Is everyone clear on that?

Any other discussion on the amendment? All in favour? Carried.

Now, back to the motion as amended. Any other comment? Hearing no comment, all in favour? Carried.

Page 25, official opposition motion. Mr. Arnott.

Mr. Ted Arnott: The standing committee on finance and economic affairs recommends that the Minister of Finance join the federal government and commit funding, within total planned program spending, to fully partner in a transition program to allow growers to pull out non-profitable fruit trees and vines and create an action plan to ease into more profitable crops.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: This is a motion that's been brought forward by the member for Niagara West—Glanbrook. I know in his riding, in the Niagara region of the province, there is significant concern about the challenges that are being faced by Niagara farmers. Ontario's juice, grape and tender fruit growers have been hit very hard by several processing plant closures. Hundreds of acres, I'm told, are currently left without markets, and 3,500 acres of valuable farmland have been impacted by the plant closures. I'm told that the federal government has granted \$22.3 million in funding to help Ontario's beleaguered juice, grape and tender fruit growers with a transition program. This recommended motion would allow the provincial government, hopefully, if the finance minister agrees, to assist as well.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 26, official opposition motion. Mr. Arnott.

Mr. Ted Arnott: The standing committee on finance and economic affairs recommends that the Minister of Finance contribute 40% of the cost of the tobacco exit strategy program, as is the custom in federal-provincial agricultural programs.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: In support of this motion, I wish to state that this has been brought forward by the member for Haldimand—Norfolk to support and stand with some of his constituents who are tobacco farmers, who are in dire straits economically, many of whom wish to exit the tobacco-growing industry, many of whom have invested their life's work in tobacco-specific equipment and assets, carrying a significant debt burden. I have certainly met some of these farmers myself. Some of them would have taken the buyout program that was offered in 2005, but I'm told the money ran out, so there is a need for an extension to that particular program to allow these tobacco farmers to wind down their operations and exit the growing of tobacco.

1330

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: Although the government has been supportive of phase-out programs for tobacco farming, my belief is—and I stand to be corrected—that there are ongoing discussions with the federal government in relation to partnership-type programs. But as a government caucus, we'd be hesitant to try to commit the province by recommendation to a specific percentage of that when those discussions are ongoing between governments.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Page 27, the official opposition.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends that the Minister of Finance continue to provide financial assistance in the form of a quarterly payment program to cattle farmers, based on the number of animals marketed in the quarter and on market prices realized.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: This is intended to support our beef industry in the province of Ontario, of course. I'm well acquainted with the view of the Ontario Cattlemen's Association, which I've supported consistently in the past, that there is a need for provincial government assistance to help our beef farmers get through the crisis, which really started with BSE but more recently has been exacerbated by the high Canadian dollar and changes in demand in the United States as a result of that. We are in a situation right now where finished cattle pricing levels are so low that producers are currently losing up to \$300 per animal that they sell. Again, they continue to need the strong financial support of the provincial government to get through this crisis and ensure that they can survive so that we continue as a province to have the capacity to feed ourselves.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

An NDP motion on page 28.

Mr. Michael Prue: Relating to the First Nations: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its 2008-09 budget:

(1) stop underfunding First Nation police stations across northern Ontario and allocate the \$23 million required to bring all such police stations up to the standards of the Ontario building code;

(2) provide an initial \$2.5 million to hire, train and equip First Nations police officers on reserves across northern Ontario;

(3) allocate \$2.5 million to the First Nations Technical Institute (FNTI), and immediately initiate a review to ensure that FNTI receives the same annual funding per student as other post-secondary institutions in the province by September 2008.

The chiefs and the grand chief were in Toronto last week and met with government officials—I'm not sure which ones, but several of the ministers—to talk about the police stations in northern Ontario that are on First Nations lands. You will remember last year or the year before last that a man who was incarcerated was killed when the police station burned to the ground. Of course, he was behind locked doors and had no way of escaping. We cannot allow prisoners to be in such unsafe buildings. There was literally no way that he could save himself. It's not like escaping or jumping out your apartment's second-floor window; you can't get out. To lock people up in places like this that have mould, that are dangerous and that do not meet the fire code is totally irresponsible. They are asking for \$23 million, not to build luxury but just to bring those stations up to the fire code.

The \$2.5 million for training is required, and I don't think anyone would deny that.

I draw your attention to number 3. We had a number of deputations, including a very lengthy one with a great many attendees, in Kingston. Tim Thompson spoke on behalf of the group, but so did others, about giving our First Nations people the same opportunities as people who came later; that is, the rest of us. The government does not fund First Nations initiatives in such training in the same way as we do every other community college. The success rate of FNTI is phenomenal. The opportunity exists nowhere else for First Nations people, should they choose to remain on or near their place of residence. All that this First Nations Technical Institute is asking is that their institute of higher learning be treated in the same way we would every other technical institute, every other community college in the province of Ontario. If this government wants to treat its First Nations in a way that I think you do—and you have a new minister who is responsible only for that—this would be a very good indication, at not a huge amount of money. In total, we are looking here at some \$28 million to show the First Nations that they are valued citizens of the province of

Ontario, that we recognize their needs, we recognize that they should have the same privileges as the rest of Ontario, and particularly in the case of students, that they are not second-class students. So I'm asking for the government to support our First Nations and to ask the Minister of Finance to ensure that some \$28 million is put into the budget as the start of our good faith in dealing with them directly and in bringing the communities to the level or standard of the rest of Ontario.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Michael Prue: Recorded vote.

Ayes

Arnott, Barrett, Prue.

Nays

Aggelonitis, Arthurs, Rinaldi, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Motion 29, official opposition motion.

Mr. Toby Barrett: A PC motion titled "Caledonia": The standing committee on finance and economic affairs recommends that the Minister of Finance fully fund the promised compensation within planned program spending.

By way of discussion, if you own a home adjacent to Douglas Creek Estates, you would have a great deal of difficulty selling it. I know of one home that did sell at a much reduced price. You've been dealing now with two years of chaos and noise, harassment, trespassing.

I do know that one family came forward just a few days ago. They own a home on what's called Sixth Line. This is a Haldimand county road, a municipal road, a paved road. Because of the occupation and other things going on, they have no OPP protection at all. That makes it difficult to sell their house. For what it's worth, a picture of the house was in yesterday's Toronto Sun. The value of the house—they have dropped the price at least \$150,000. They're an elderly couple, the Rauscher family, who immigrated here from Germany. I just use this as an example. It's a beautiful home, there are two acres, flower gardens, very well maintained, but they wish to retire to the city of Hamilton, where there's public transit. They're planning for that but they cannot sell their property. It's an OPP no-go zone. As I understand it, what triggered this was that an OPP cruiser allegedly turned the wrong way and went down this Haldimand county road and was stopped by people who were supporting the occupation, which is across the road. The OPP were hauled out of the car, and the car was returned to the OPP later with human excrement in the back seat. These are the kinds of things that are going on in front of this particular home. By the same token, there is another home adjacent to the property. Their fire insurance was cancelled. They have no fire insurance. The company will not insure this house because of the location.

1340

I feel that compensation is in order not only in these two particular cases—and I've talked with the families many, many times. Other roads—Oneida, Sixth Line, Argyle Street, Thistlemoor, Braemar, Kinross, street after street adjacent to this 100-acre location, and all of these locations are not in the Six Nations community, for example. This is in Haldimand county.

This is real, and I've certainly communicated with a number of cabinet ministers over the last several years that this is the situation that we face. It's been two years. There does not seem to be any progress or resolution. As a result, all of the responsibility lies on the shoulders of the individuals in these subdivisions and on these Haldimand county roads. We have government for a reason, and they do need help from government.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour?

Mr. Ted Arnott: Recorded vote.

Ayes

Arnott, Barrett, Prue.

Nays

Aggelonitis, Arthurs, Rinaldi, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Page 30, an NDP motion.

Mr. Michael Prue: This is "Fair funding for our cities and property tax reform." Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that, in the 2008-09 budget, the government:

(1) In addition to uploading the full costs of ODSP, also commit to uploading the full costs of public health, land ambulance and court security for the 2008-09 fiscal year and the full costs of child care and social housing in the remaining years of its current four-year mandate. The government should also commit to honouring the original terms of the downloading agreement in terms of administrative costs.

(2) Reform the residential property tax assessment model so no residential properties are reassessed until the property is sold or the owner does more than \$40,000 in renovations.

(3) Implement all the Ombudsman's recommendations to reform MPAC.

By way of discussion, if I may, the government says it is committed to uploading the full costs of ODSP; at least it said so during the election. We expect to see that in this particular budget and not put off to later. We are also suggesting the full costs of public health, land ambulance and court security should be done this first year as well. We are mindful that this is a \$3.2-billion initiative and are simply asking that the remaining items, those of child care and social housing, be undertaken during the following years.

If ODSP, public health, land ambulance and court security are uploaded right away, that will cost the treasury some \$1 billion, but it is something that the government appears to be committed to, at least in the longer term. We are asking that it be made in the shorter term.

The second one is perhaps more controversial because the government has not indicated in any way where it is going to head when the freeze comes off the property taxes. We are suggesting that they ought to adopt a freeze-till-sale model so that people, especially older people, are allowed to remain in their homes. I had a woman whose son came to my office just on Friday and I had to make the very bad choice of telling her that she ought not to pay her house taxes. The \$400 was desperately needed for heat. The oil company was refusing to deliver. She's 81 years old. It was minus 20 with the wind chill factor that day, and she was huddled in there with a blanket. I told her not to pay her house taxes, which were due today, but instead to give the \$400 to the oil company, which would then deliver some heat. In the short term, we didn't need her to die. Her taxes are going up; they have gone up every year for the last number of years. She simply can no longer afford to remain in her house. She is one case, but that was the most recent one to come to me on Friday.

The last one is a very simple one. I cannot for the life of me understand why the government has not acted. The Ombudsman came down with 30 recommendations. MPAC was able to enact most of them immediately. The government said that it needed time to study two. Those two are still being studied. For the life of me, I don't understand why.

One of them would reverse the onus so that it would be up to MPAC to prove the value of a house and why it was increasing, and not up to the homeowner to argue that it was not. Certainly MPAC has the resources, the lawyers, the accountants, the software and everything else to back up their position without putting the homeowner at some considerable angst.

The second one is also very easy to understand and to implement, and that is that ordinary citizens would have the right to look at the program, to look at how it was arrived at. Right now, MPAC is claiming proprietary interests and doesn't want people to find out how they assess a house. This hardly seems fair. If they are going to use this knowledge that they have in a computer model, it behooves them to release that to the people who are being forced to pay the brunt of the tax increase.

These are just three recommendations we are making to the government: the one which you're already committed to, but we're asking you to do in this upcoming tax year; the second one is to ensure that the new plan, whatever it is, freezes until time of sale so that people, particularly older people, those on pensions, don't lose their homes; the third one is to implement what the Ombudsman told you to do two years ago and to quit stalling. You've had time enough to study it; do it.

The Chair (Mr. Pat Hoy): Comment?

Mr. Wayne Arthurs: I don't believe that government caucus members will be able to support the recommendation. We have committed to uploading ODSP and ODB costs. It will, when fully implemented, be a cost in about the \$935-million annual range. Our savings to municipalities will be taken on by the province at that point in time.

We have moved on to public health and land ambulance costs during the last mandate within the commitments we made at that point in time. We are moving this year on the 2008 reassessment for a four-year phase-in of any increase, and an immediate full decrease, if there is a decrease. Again, those were platform initiatives, or prior to the platform that we ran on, and we are committed to those.

The Chair (Mr. Pat Hoy): Mr. Arnott.

Mr. Ted Arnott: I just want to ask Mr. Prue what the total cost of this particular motion would be, if he knows.

Mr. Michael Prue: The total cost to the government? The costs are all in the first item. It would be about \$1 billion in this tax year to upload those four costs. The government is committed to uploading one cost, which is \$935 million, so I anticipate about another \$65 million to include court security and the remaining costs of land ambulance and public health. They have already uploaded some of it; we're suggesting all of it. It is a manageable number. There are no costs for the residential properties; it is revenue-neutral to the municipality. I'm sure a former mayor across there knows that.

The last one is just a matter of fairness. There is no cost to the treasury, although it is up to the Minister of Finance to set the law and contain within the financial act the provision of reversing the onus and of the release of the proprietary information. So no cost.

The Chair (Mr. Pat Hoy): Mr. Arnott.

Mr. Ted Arnott: Just so I have it clear, you're suggesting an additional \$65-million expenditure—

Mr. Michael Prue: And that it be done this year, as opposed to being phased in, yes.

The Chair (Mr. Pat Hoy): Any other comment?

Hearing none, all in favour?

Mr. Michael Prue: A recorded vote, please.

Ayes

Arnott, Barrett, Prue.

Nays

Aggelonitis, Arthurs, Rinaldi, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Official opposition motion 31, Mr. Barrett.

Mr. Toby Barrett: The title of the PC motion is "Property tax assessment."

I move that the standing committee on finance and economic affairs recommends that the Minister of Finance cap property assessments at 5% per year, as long

as home ownership is maintained or transferred to a spouse.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Toby Barrett: One rationale is that we have seen assessment increases of over 20%. In fact, there are 400,000 properties that have been listed at that kind of an increase in 2005.

1350

With respect to this three-year freeze in property assessments, we're going to have this cumulative impact where homeowners, property owners, will be hit by an accumulation of three years of property assessments in one year. I think we can speculate there'll be a wide range of assessment increases. This is something that we also put forward in our election platform.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: I don't think that this is as good as freezing the assessment, but I am going to support it because it's better than nothing. I don't know what to expect from the government. They have been very close-lipped on this. If we don't attempt to lessen the tax burden on our most vulnerable citizens, i.e., those on fixed incomes, pensioners and the aged, many, many of them risk losing their homes. It's far better to put a cap of 5% than to do nothing at all, although I am still of the mind that house prices should be frozen between times of sale.

The Chair (Mr. Pat Hoy): Any comment? Hearing none, all in favour? Opposed? The motion is lost.

Official opposition motion on page 32. Mr. Arnott.

Mr. Ted Arnott: The standing committee on finance and economic affairs recommends that the Minister of Finance, within total planned program spending, establish a capital fund to support infrastructure needs in small greenbelt communities.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: Again, this is a motion that has been brought forward by the member for Niagara West—Glanbrook. It is indicating that a number of greenbelt communities have had their growth frozen by the greenbelt legislation and many of these communities, including Grimsby, Lincoln, Pelham and Niagara-on-the-Lake, have had their provincial grants simultaneously reduced by the McGuinty government's Ontario municipal partnership fund. This motion, if accepted by the government and in turn by the Minister of Finance, would assist those communities with their infrastructure needs.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: I just want to reinforce that in the fall economic statement there was some \$300 million set aside for municipal infrastructure renewal. That was topped up recently with a further \$150 million. It's available to all communities in Ontario, not just small communities within the greenbelt. Among our government motions earlier, we spoke about the need to support municipalities in infrastructure and transit and the like. So, clearly, government caucus is in support of supporting municipalities throughout Ontario but can't sup-

port a motion that speaks only to small communities within a greenbelt, within a defined geography.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Ted Arnott: On the contrary, the fall economic statement actually committed some \$900 million for municipal funding for infrastructure, not \$300 million. I'll quote the minister: "Every community has infrastructure priorities, and we want to get those projects started now. The Ministers of Public Infrastructure Renewal, Transportation, and Municipal Affairs and Housing will be providing details on how our municipal partners will soon be able to access \$900 million in funding."

Having heard that in the Legislature in the fall, before Christmas, I was quite surprised to learn that my municipalities and all the rural municipalities in the province of Ontario were told that there was a \$300-million infrastructure fund that they could access if they applied before February 15, which is a third of the money that was actually announced in the economic statement. I was quite surprised, then, to see the Premier, at the ROMA-Good Roads convention, stand up and announce a \$150-million enhancement, which still only brings us up to about half of what they'd announced in their fall economic statement. I suspect there's a bit of a shell game going on to try to manipulate expectations and give the Premier an opportunity to announce something that was perceived as good news at the ROMA-Good Roads convention.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 33 is an NDP motion. Mr. Prue.

Mr. Michael Prue: Be it further resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government allocate sufficient funds in its FY 2008-09 budget to put in place:

—12,000 new rent supplements at \$4,450 per unit. This would cost \$53.4 million;

—7,000 units of affordable, rent-geared-to-income housing at \$50,000 a unit, for a cost of \$350 million;

—a rehabilitation fund for the repair of downloaded municipal housing starting at \$100 million per year in 2008-09 and increasing to \$200 million per year in subsequent years.

If I may, by way of explanation, this is simply asking the government to do what you said you would do not only in the last election but in the one before that: to give rent supplements. There have been some given, but it is not nearly enough to cover those who are requesting the supplement. They average approximately \$4,450 per unit. There are many vacancies in the province and people on waiting lists that need to be housed in adequate housing. This is a short-term solution only and would cost some \$53 million. Tens of thousands of families would be able to move around the waiting list if this was done.

The second is the building of 7,000 units of affordable, rent-geared-to-income housing, which was promised by you in the last two elections. We are simply

asking that you do it at a cost of \$50,000 per unit. This would cost some \$350 million, which is about what the federal government gave to the province, which was never spent to do that. We're asking you to spend it.

Last but not least is the rehabilitation fund for the downloaded municipal housing. The motion has been defeated that you upload that within your mandate, so I'm not sure whether you ever intend to do that, but if you are going to leave it with the municipalities, they are in dire, dire straights. If you've ever had an opportunity to go to Jane-Finch or to Regent Park—that portion which has not been torn down—or to Don Mount or to any of the hundred Toronto housing projects that were downloaded by the previous Mike Harris government, you will see the very sad state of repairs: the mould, the leaking, the mildew, the cockroaches, the mice, the substandard and broken cupboards and closets and torn-up floors and everything else that people are forced to live with because they have no option. The city of Toronto estimates that some \$300 million worth of repairs are needed in Toronto alone, but certainly every municipality of any size across Ontario with public housing has the same problems.

We are simply asking that if it's not going to be uploaded, the province do the decent and honourable thing and give some money to the municipalities, which were handed a housing portfolio in a complete mess. By way of this motion, we are asking that the Minister of Finance commit \$100 million in this year's budget and subsequently \$200 million to bring those houses which the province wants owned and has downloaded into a state of good repair so that people are not living in hovels.

The Chair (Mr. Pat Hoy): Mr. Prue, on your first point, you either said or wanted to say, "\$4,450 per unit"?

Mr. Michael Prue: What did I say?

The Chair (Mr. Pat Hoy): If you just say "yes," it will be correct.

Mr. Michael Prue: Yes, it is \$4,450, as written.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Ted Arnott: I understand the intent of the member's motion and I certainly recall serving here when the New Democrats were in power. With the affordable housing program that they were pursuing at that time, my recollection is that they weren't building housing for \$50,000 a unit; it was far in excess of that. I'm just wondering where that number is coming from and whether or not it would be possible to build 7,000 units of affordable housing at \$50,000 per unit. I would suggest that might be grossly understating what the true cost would be.

Mr. Michael Prue: We're not building the units. There are many co-ops and other groups, church groups and things, that want to build housing. What we're saying is that the government would, in effect, subsidize those to the tune of \$50,000 to allow co-ops, church groups and others that are interested in building affordable housing to get into the game. It is not possible to build housing on

this scale, and for the needs and for the wherewithal of people to afford to pay the rent, at the elevated cost of housing these days. With a \$50,000 infusion per unit, the government can assist co-ops, churches and the like to build the affordable housing that we know is needed.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour?

1400

Mr. Michael Prue: Recorded vote.

Ayes

Prue.

Nays

Aggelonitis, Arthurs, Flynn, Rinaldi, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Page 34, from the official opposition.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends the Minister of Finance, within total planned program spending, commit in the 2008 budget that the construction of new municipal bridges, such as the proposed Strandherd-Armstrong bridge in the city of Ottawa, receive at least one third construction funding from the provincial government.

The Chair (Mr. Pat Hoy): Comment?

Mr. Ted Arnott: This is a motion that was recommended to us by our colleague Lisa MacLeod, and it stands up for an important issue in her riding. The fast-growing community of Barrhaven and Riverside South is in need of infrastructure improvements, I'm told, for new roads and bridges. The federal government and the city of Ottawa have apparently committed funding to build the Strandherd-Armstrong bridge. The city of Ottawa is apparently asking for all three levels of government to commit to assist in the funding of this \$105-million project. This project, if built, would link two communities that are very close but are separated by the Rideau river. Of course, we know that growth—that other rural communities throughout Ontario are in dire need of provincial funding assistance to support new bridges and roads.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: Part of our motions were to enhance infrastructure spending in the province of Ontario. As we know, we have, through the municipal infrastructure priorities program, \$300 million, and I know that the member opposite referenced another number, some \$900 million, but that's a more composite number that includes some very significant and broad-ranging transit initiatives as well. This was the application-based process that I was speaking of in an earlier motion on the greenbelt. We believe that the municipalities are best placed as our partners when there are dollars available to establish their priorities and establish the level of funding required and their participation in that, and thus we can't

support a prescriptive motion for bridges at one third—or at least one third—construction funding.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Ted Arnott: I do have another number. Again, it's on page 3 of last fall's economic statement, where the minister commits to \$900 million for municipal partners in terms of funding infrastructure. This is clearly stated in the economic statement.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Page 35, official opposition motion.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends that the Minister of Finance provide an ongoing funding arrangement to municipalities for roads, bridges and other infrastructure projects, providing long-term predictability and merit-based funding.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: Having just spent a lot of time at the ROMA-Good Roads convention, I'm aware that there are incredible needs across Ontario, particularly amongst small and rural communities, for provincial financial assistance for basic infrastructure projects that are needed now. I think that while the government has, I would acknowledge, announced support for infrastructure in the most recent fall economic statement that the Treasurer read in the House before we rose at Christmas, there continues to be greater need demonstrated by the municipalities than the provincial government so far has allocated financial assistance for, without question. With the COMRIF model that we saw in the last three or four years, there were a number of municipalities that applied to all three rounds of COMRIF and came away without a nickel of provincial assistance.

I would suggest that what the provincial government needs to do is to take a good, hard look at how the federal government is sharing the federal gas tax with municipalities, so as to ensure that municipalities, large and small, have a predictable and constant stream of funding for their basic infrastructure needs, like roads and bridges. As we know, the provincial government shares a small portion of the sales tax that it collects on gasoline only with large cities that have transit systems, which discriminates and excludes rural communities like most of the communities in my riding. So I think there is a need for predictable and ongoing funding that municipalities can count on so that they can make their plans with respect to their infrastructure needs. I would certainly respectfully submit that this motion is a positive one that the government members should support.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Page 36 from the official opposition.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends the Minister of Finance commit in the 2008 budget a funding program for mobile home park tenants who are displaced from their affordable housing due to private sale by the

landlord in order to assist those on a fixed income in relocating.

The Chair (Mr. Pat Hoy): Comment?

Mr. Ted Arnott: Again, this motion and this issue comes from one of my caucus colleagues. In support of it, I would add the following: I believe that many mobile home communities currently are a source of affordable housing for those on a fixed income. Many residents in mobile home communities are seniors and young families who face the prospect of mass displacement if the land is sold. There is a staggering cost for moving a mobile home of between \$10,000 and \$15,000. This idea would give assistance to those people who are in that situation. I hope that government members will consider supporting it as well.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Page 37, an NDP motion.

Mr. Michael Prue: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government in its 2008-09 budget:

—restore the local priorities grant and funding the way the Education Equality Task Force recommended—at a rate of \$200 per student. This would cost \$400 million;

—implement an annual public review of the funding formula—led by an all-party standing committee on education;

—adequately fund social workers, youth attendance community workers and in-school support workers as identified in the Falconer report.

By way of discussion, the local priorities grant was taken away by the previous government, but most school boards are asking that some form of it be reintroduced at \$200 per member. In some locations, it would be used to keep swimming pools open; in other locations, it would be used for busing or for janitors or for workers or for English as a second language or for aboriginal students. We'll leave that to the school board. The one-size-fits-all is fraying at the edges. Although all the students have to follow the core curriculum and all of them should have the same access, there are different needs in different communities that are not being met but could easily be met with the \$200-per-student local priority grant which the Education Equality Task Force itself recommended.

The second thing we are recommending is the annual public review of the funding formula. This will cost the government nothing. It will be an all-party committee that will look at the funding formula and update it year to year. It has been static for too long. The changes that have been made have been too minor since it was instituted by the previous government. We need to act more quickly on it.

The third one will cost some money, although it has not been costed out. The Falconer report is fairly recent. It came down with suggesting how we can help the inner-city schools particularly, but it is relevant across Ontario that schools should have adequate social workers, youth attendance community workers and in-school support

workers so that the school system works better. Had such a thing happened, some of the young students who have been killed, including the one who was killed in Toronto, may not have died. I think the Falconer report points out the weaknesses. We are simply asking that the monies be set aside, whatever that is—and it would be in the millions of dollars for sure—to hire these necessary workers to make our schools work better. I ask for your support.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour?

Mr. Michael Prue: Recorded vote, please.

Ayes

Prue.

Nays

Aggelonitis, Arthurs, Flynn, Rinaldi, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Page 38.

1410

Mr. Michael Prue: "Post-secondary tuition freeze": Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its 2008-09 budget:

(1) Freeze all regulated and deregulated college and university programs as well as ensure that funding is sufficient to compensate for the tuition freeze. It would cost approximately \$250 million to support a freeze on all college and universities programs.

(2) Allocate \$50 million to replace tuition-related ancillary fees charged by colleges and universities.

I think that speaks for itself. The government in its last mandate froze fees but then allowed them to rise much faster than the cost of living—frozen the first two years. What we are suggesting is that it needs to be frozen again and that compensation or the monies needed to maintain those levels be done. The fees charged in Ontario are among the highest, if not the highest, in Canada, and student debt is rising exponentially.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: I don't believe that government caucus members can support the motion. Certainly we haven't been in a position of supporting freezes on tuition. The Reaching Higher plan clearly commits \$6.2 billion in additional funding over an extended period of time. More importantly, we want to ensure that there are professors and equipment and improved student services, and part of that comes with that cost sharing on a going-forward basis between students and their families and the broad tax base.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Motion 39, from the official opposition.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends that the

Minister of Finance and the Ontario government move immediately to install the most advanced clean coal technologies on Ontario's four coal plants and take meaningful, achievable action to improve air quality in Ontario. Further, the official opposition recommends that a study should be undertaken on the suitability of the province's four coal plants for carbon sequestration, and if found to be feasible, these technologies should be pursued in earnest.

As we know, in the 2003 election campaign the Liberal Party of Ontario and their leader, Dalton McGuinty, promised to close the coal-fired generating plants within four years, by 2007, and since that time have broken the promise on a number of occasions. The promise was made irresponsibly, without a plan for adequate supply of affordable and reliable electricity to replace it, and insufficient action has been taken by the government since that time to improve the quality of air that Ontarians breathe by accepting and installing readily available technologies to clean up the emissions from these coal plants.

It's my understanding that the government now has 2014 as the new target date for the coal shutdown, but because of the anticipated demand for electricity that we're aware of, there is very strong doubt as to whether that date would be achievable. In the meantime, I think it's important that we do what we can to ensure that the quality of air that Ontario residents breathe is cleaned up. Given the fact that we know coal-fired generation is here at least until 2014, unless we hear otherwise from the government, I think it's reasonable and prudent to install these clean coal technologies.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: This particular motion would certainly run contrary to the position of the government, and I would suspect that the government caucus members would have great difficulty in supporting it.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Motion 40, from the NDP.

Mr. Michael Prue: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the 2008-09 budget:

- honour the promises made in the Liberal 2003 election platform to invest \$300 million in new provincial money to expand Ontario's regulated, non-profit child care system and, in addition, take full financial responsibility for the costs to municipalities that have resulted from the implementation of the subsidy formula, including costs to clear the waiting lists created by the subsidy formula that are preventing families from obtaining the child care they need at a rate they can afford;

- provide no public funding to new, for-profit daycare corporations and no public funding for the expansion of private centres. This would be effective April 1, 2008;

- authorize funding for appropriate and timely treatment options and early intervention programs through

existing agencies to clear the waiting list for children with autism and other special needs, which will save money in future avoided costs;

- establish regular annual increases in the funding for children's mental health treatment to compensate for funding lost over a funding freeze in the sector from 1995 to 2005.

By way of argument, we are asking the government to live up to the commitments they made in 2003 and to invest \$300 million of your own money—and I want to underline that: of your own money, not of monies transferred from the federal government—to establish non-profit child care spaces in Ontario. There have been virtually no new spaces provided with your money in the last four years. There have been spaces provided using federal monies, but that is not what you promised in 2003, and we are asking that this budget remedy that and put \$300 million into the system to get it back on track.

We are also asking that you draw a very clear line in the sand for not-for-profit daycare corporations. We have read in the paper as recently as today about ABC-123 coming out of Australia, attempting to buy up daycare operations in Ontario and turn them into for-profit centres. This is not where the public wants to go, nor do we think that you should allow it. We are asking, moving effectively and rapidly for April 1, that it be disallowed.

We are also suggesting the increases for children's mental health. By all means, I want to stress the appropriate and timely treatment options and early intervention programs to clear the waiting lists for children with autism. Those lists continue to grow in spite of the monies that are being spent, and there are many, many families with children who are being forced out of the treatment centres and into the schools, contrary to the best advice they are getting from physicians and autism experts. We think that much more needs to be done. If that money is spent early, it will not have to be spent later. If autism is not treated and if the children are not brought to their full potential, you can rest assured that for many of them, an institution for the balance of their lives is likely the only outcome. That is not where the government should be spending the money.

Having said that, I ask again for your support.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 41 is also from the NDP. Mr. Prue.

Mr. Michael Prue: This is related to public transit.

Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that (1) the government introduce the funding of 50% of operating expenses of public transit in its FY 2008-09 budget, and (2) the government table the timetable for the funding of all Transit City LRT lines and commit sufficient funds for the 2008-09 fiscal year to begin construction on the priority lines.

By way of discussion, the funding for operating expenses was 50% until 1995 or shortly thereafter, at which time it was reduced to nothing. Toronto, Ottawa and Hamilton, I think, are the only major municipalities in the

world that do not have part of their operating budgets paid by a senior level of government. As such, the cost to ride the TTC, OC Transpo or the Hamilton bus service is much, much higher than comparable cities and towns in Europe, in Africa, in Asia, in the United States. We are asking that the government get back into the operating expenses and get back into the subsidies as a first step in ensuring that transit is made a priority.

The second step is to look at the timetable for funding all Transit City LRT lines. We know that those lines may be expensive and the funding may take place over a number of years, but if there is sufficient funding in this year's budget to begin the construction on the priority lines, it would be very much appreciated. They need to be built in order to reduce gridlock, get people out of their cars, save the environment and any number of things. If the government is intent on doing anything for municipalities this year, I would suggest that this is a priority, to put sufficient funds to do the studies, to amass the land, to get ready and to begin the building. I would again ask for your support and a recorded vote.

1420

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: I suspect that members of the government caucus may have difficulty in supporting a motion that would effectively see an upload of 50% of the operating costs of public transit in the province of Ontario, again not shared equally among all municipalities, which I'm sure the opposition would point out in other motions in respect to gas funding, but to take on that quantum of a direct responsibility. During our time, I think we've increased funding to public transit by about \$145 million. We've introduced the two-cents-a-litre gas tax. We're pleased to see the federal government has followed along to some extent in that regard, although ours is on a per litre basis, as opposed to a capped amount. We were speaking earlier about the FES, the fall economic statement, and there are significant dollars there; about \$600 million going into transit from the province in support of transit systems, albeit not in their day-to-day operating costs.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, a recorded vote was requested.

Ayes

Prue.

Nays

Aggelonitis, Arthurs, Flynn, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Page 42, from the official opposition.

Mr. Ted Arnott: I move that the standing committee on finance and economic affairs recommends that an adequate student transportation funding model, taking into account geographic factors and students with special needs, be developed as soon as possible.

This committee heard from school bus operators in southern Ontario as well as northern Ontario during the course of the two weeks of hearings that we had in the new year, and I was quite supportive and certainly made a statement that, for my part, I would do whatever I could to try and get this issue addressed. This problem with respect to school transportation funding has been kicking around for quite a number of years. Right now, some boards are receiving more than they actually spend on transportation. Others are having to try to find money in other aspects of their operation to ensure that they have a reasonable standard of school bus service for students. Certainly in my riding a number of school boards are struggling with this issue and would want to see a more equitable and fair funding formula for student transportation moved on by the government.

I would hope that the government will in fact take some steps to address this, and I hope that government members will support it. I see some indications of support over there. I hope there will be some support from government members with respect to this motion so that we can recommend this to the Minister of Finance, and hopefully he will deal with it in his upcoming budget.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: This issue is not the first time we've heard of it during this set of standing committee hearings. In my limited time it's been at least twice, if not three times, in which we've had a number of operators making requests of this nature. An interesting part of the process for me is that often it's not necessarily in the year we first hear it that a committee gets to address it in some fashion through a budgetary process or that a minister gets to address it. Often it's kind of a rolling set of agendas until you find the right ones or right time. As one member of the caucus, I feel pleased to support, at the presentations to us on student transportation, on the work being done by drivers, on the responsibilities they have for our young people on a day-to-day basis, on the need to renew the fleet and on the cost of their operation. It makes sense for us to be recommending to the minister that we find an effective means, an effective model, for funding student transportation, given the charge that those organizations have for young people in Ontario.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Ted Arnott: Does that mean that the government is going to support the motion?

Mr. Wayne Arthurs: Do you want to ask for a recorded vote? I will. How's that?

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: Recorded vote, Chair.

Ayes

Aggelonitis, Arnott, Arthurs, Barrett, Flynn, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is carried.

Page 43, from the official opposition.

Mr. Toby Barrett: On page 43, a PC motion entitled "Tourism": The standing committee on finance and economic affairs recommends that the Minister of Finance designate significant new funding as part of a comprehensive plan to strengthen the tourism industry in the short and medium terms, focusing on an effective marketing strategy.

We know there has been a dramatic decline in the number of American visitors, primarily tourists, coming to enjoy events and what have you. Fewer tourists from the United States translates into lost economic opportunities and fewer jobs. We do know since 9/11 there has been a thickening of the border; in fact, Mr. Prue knows a little bit about this as well, with delays, forms to fill out, red tape. You need only talk to the trucking industry to get the picture on that one. Security is obviously very important, and very important for the United States post 9/11, but within North America we have to do everything we can, both federally and provincially, to enhance trade and, in this case, tourism. The cost of the passport that is proposed can be a barrier for many people in the United States; 70% of the people in the United States do not have passports. In Ontario, we have not gone forward to the extent that British Columbia has, for example, in developing an enhanced driver's licence. The state of Washington has an enhanced driver's licence, but I would expect virtually all other states do not have an enhanced driver's licence, so another option is the more expensive passport. But in the interim, until we get something in order like an enhanced driver's licence, we do have to assist our tourism industry in the short run.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: I just want to note that in the fall economic statement, when the fiscal capacity was there, an additional \$30 million was provided to Tourism to expand their promotion and marketing campaigns, which is important. It also effectively allowed for more than double funding for festivals and the like. Having said all that, I think that from a government caucus perspective, our priorities remain on some of the other motions that have already been passed, particularly around the infrastructure and municipal needs. For us, I think, this wouldn't be one that we'd necessarily want to recommend, although the minister and the finance minister will duke it out within the context of his own request.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Ted Arnott: There's no doubt in my mind that the biggest challenge we're facing in tourism today is how we bring the American tourists back to Ontario. For some considerable period of time, I would argue, the current government had written off the American tourist market and had given up on the efforts that they had pursued in the past, perhaps, to try and bring Americans across the border. For some considerable time, the former Minister of Tourism, now the Minister of Transportation, was advocating an upgraded driver's licence idea as a means of addressing the looming passport requirement that has been brought forward by the US Department of

Homeland Security. There have been a number of extensions to the application of the passport requirement, but in recent months the now Minister of Transportation has been patting himself on the back to some degree because there has been an acceptance by the American government of the upgraded driver's licence.

The problem with this is that what we need in Ontario tourism is to ensure that American tourists can come here and get back home again without a hassle, and the upgraded Ontario driver's licence in no way helps the American tourist get home again after he or she has visited here. They will still need the passport eventually. So what we need to do now, I would suggest, is to work with the adjacent US states that are close to Canada to try to get them on board with this idea, because if we don't, the only positive effect the upgraded Ontario driver's licence will have is to enable Ontarians to cross-border shop more easily, because they'll have no problem getting across to the United States and no problem getting home. The problem we face once again is the American tourist having trouble getting back into the United States after having visited here.

1430

It has to be clearly understood that there are limitations to the positive impact of the upgraded drivers' licences in Ontario, unless we have a number of US states, our counterparts, that do the same thing and upgrade their drivers' licences to the point where it's acceptable for the US Department of Homeland Security in lieu of a passport.

I wanted to put that on the record, but at the same time would encourage the government members to support this as a way—I know each of the MPPs who are on this committee, including the government members, have significant tourism attractions in their ridings that they would want people to come to, and I would suggest to you that if more isn't done with respect to supporting our tourism industry in the next couple of years, the tourism operators in your constituencies are going to continue to face tough times, especially with respect to the decline in American visitors.

Mr. Michael Prue: A number of us had the opportunity this past weekend to be in Detroit. I don't want anyone to think it was a junket. The Council of State Governments—state and provincial governments—the CSG, met in Detroit to talk about cross-border issues. Of particular importance, not so much in terms of finding alternative documents to the passport, which took a lot of discussion, were some of the statistics that were rhymed off and some of the polling that was done by the Detroit chamber of commerce about the anticipation of American tourists coming to Ontario, coming to Canada as a place to vacation, as a place to do business or to visit with relatives, and the anticipation of what many of them thought they were going to do. The numbers of Americans planning to visit Ontario and Canada is declining rapidly. Some of the talk was about the need eventually of having a passport. Some of it was about our dollar being roughly at par with their own, whereas it wasn't the cheap vaca-

tion any more. Some of it was just the hassles of crossing back and forth over the bridge that might take three to four hours, so it made no sense to come over either way, to go for dinner—people would often go to dinner in Windsor from Detroit. They don't do it anymore and vice versa. The statistics were quite chilling.

I think we ought not to be preoccupied with whether there's going to be an enhanced driver's licence versus a passport. What we need to do is better market Ontario. In my travels around this province and adjacent American states, I don't think we're doing the kind of job that we should. Today, Lonely Planet came out with the 10 best places to visit in the world for Americans. It was no surprise they listed the United States as number one because it's very convenient for Americans, but Canada was in the top five. It described us as friendly, which everybody would know; safe, which everyone would know; huge vistas; enormous opportunity; cultural attractions—everything that people could want. We need to remarket that. I am looking forward not so much to \$30 million for NEXUS or some other government program to establish drivers' licences, which may or may not be accepted by the federal government of the United States, but to start aggressively marketing Ontario as a destination.

Every night I turn on the TV when I'm at home and I see wonderful advertisements for Newfoundland. You've probably all seen them. It makes me really want to go to Newfoundland again—you know, the colours, the whale jumping out; showtimes vary, they say. They are aggressively marketing that wonderful province, and I don't see why we're not aggressively marketing ours. We have attractions galore, multicultural events in the city, fishing in northern Ontario—the list goes on and on. I don't

think, quite frankly, we are doing the kind of job that other provinces, particularly Quebec, British Columbia and Newfoundland, are doing. We need to do it if we want to bring those American tourists back, notwithstanding the difficulties with the passports and notwithstanding the high dollar. If they don't know about us, they won't come.

I support this motion in terms of getting back to marketing us in a way that we should be. Lonely Planet says we're in the top five, but we're not doing enough to be there.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost. That concludes the motions before us.

Shall the report, including recommendations, carry? Carried.

Shall the Minister of Finance receive a copy of the final report with dissenting opinions prior to tabling in the House? All in favour? Agreed.

Who will sign off on the final copy of the draft? The Chair? Agreed.

Shall the report be translated? Agreed.

Shall the report be printed? Agreed.

Shall the Chair present the report to the House and move the adoption of its recommendations? Agreed.

Just for the committee, to recall for the benefit of the members, a dissenting report will have to be submitted to the clerk of the committee by Wednesday, March 5, 2008, at 4 p.m.

I want to thank everyone who helped out—staff, translation, Hansard etc.—on our committee work over this time to prepare this report. We are adjourned.

The committee adjourned at 1436.

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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Official Report of Debates (Hansard)

Thursday 10 April 2008

**Standing committee on
finance and economic affairs**

Subcommittee report

Assemblée législative de l'Ontario

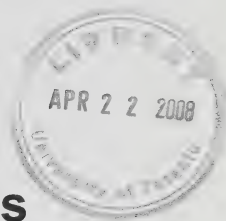
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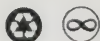
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Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 10 April 2008

Jeudi 10 avril 2008

The committee met at 0906 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will come to order. We have called the Conservative member's office and there's no answer there. We are behind already, so we will begin. We're here, as the standing committee on finance and economic affairs, to hear the report of the subcommittee on committee business. Mrs. Savoline, would you like to read that into the record?

Mrs. Joyce Savoline: Your subcommittee did meet on this Monday past, April 7, 2008, to consider the method of proceeding on Bill 42, An Act to amend the Smoke-Free Ontario Act, 2008, and recommends the following:

(1) That the committee hold public hearings in Toronto on the morning of Thursday, April 17, 2008.

(2) That the committee clerk, in consultation with the Chair, post information regarding Bill 42, An Act to amend the Smoke-Free Ontario Act, 2008, on the Ontario parliamentary channel and the committee's website.

(3) That the committee meet for the purpose of clause-by-clause consideration of Bill 42, An Act to amend the Smoke-Free Ontario Act, 2008, on the afternoon of Thursday, April 17, 2008.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Wayne Arthurs: I had the opportunity, obviously, as a subcommittee member, to meet with my colleagues along the way in the subcommittee and indicated at that time what my preference would have been. That would have been to have this matter referred to the House leaders, because it's my view that, historically and otherwise, in this place we're very dependent upon the House leaders to help us direct traffic, if I can call it that, in the context of bills and matters before committee.

As recently as yesterday, this committee had a resolution directed to it with respect to the Ontario health premium review. That's a requirement. So, already, we have matters of government business that are directed to committee. Given the nature of this particular week in the Legislature, in which all of the activity to date, if I recall, is finance-related—the budget measures bill, the matter with respect to the Ontario investment strategy for municipalities, as well as the matter that ended up being directed through finance, the Ontario health premium review, in all likelihood are going to create a level of

activity for this committee, should the House leaders send them to us in an expeditious fashion to deal with.

I'm not going to be able to support the subcommittee report. I think that was probably reasonably clear at our subcommittee meeting. I would anticipate, although I can't speak for them, that my colleagues on this side of the committee will feel much the same way, in the context of the precedence priority that House leaders need to set in the context of assisting us with steering government business. It's not a commentary at all on the bill, which had very strong support, as many private members' bills, do in the Legislature for first and second reading. That will be a matter for my consideration at committee as we continue that deliberation, obviously. But in the context of the subcommittee report, moving this matter forward to April 17 is something that I don't find myself to be in a position to support.

Mr. Michael Prue: I have to state that I am disappointed, not so much by my colleague from the Conservative Party and her bill—because I think it's a good bill—but because what the parliamentary assistant has said is that this committee does not really exercise the jurisdiction that the House has given to it and that is contained within the standing rules and orders.

This committee has the authority to hold whatever hearings it deems essential or necessary in order to conduct its business. If the committee chooses to do so, of course we can hear this bill. What has been said is that we ought not to do so because there may be some government legislation. I use the words “may be”—because that's what it is.

There was a bill, potentially, sent yesterday, and it will take, I think, some weeks to get the necessary documentation together in support of the motion. I don't know what business, if any, is before the committee other than this private member's bill. This is merely asking two weeks, and the reason that the subcommittee set two weeks and not one week—well, it's one week from today—was to provide an opportunity to have people come forward to make deputations, to put it on the parliamentary channel. This will take all of one day: a half-day to listen to people and a half-day to debate the merits of the bill and either pass it or not pass it.

There's nothing being lost by the Liberal Party or the government if we hear this bill. The government is free to vote for it or against it, and then—and only then—the House leaders have the responsibility to negotiate and to

discuss. The government House leader has the responsibility of bringing it forward for third and final reading, should the government House leader decide to do so.

There are plenty of ways that the government can stop this bill, or any bill, if they chose to do so. But to try to exercise control over this committee in advance, I think is doing a parliamentary disservice. I, for one, intend to support the subcommittee's recommendation. I do know that in other committees, of one of which I am the Chair, we have had preliminary discussions about having the bills brought forward to committee and holding public forums on them. We believe that that's the committee's responsibility. The government's responsibility is different and the House leader's responsibility is different, but the committee's responsibility is to do all of the work that is sent to it.

We only have this one bill presently before us. It is scheduled one week hence. It's not going to tie up government bills or government duties or other responsibilities of this committee into the next few weeks or months that we're in session. Certainly, if there's a lot of work, it is possible for the House to determine that the committee can meet in periods when the House is not in session.

I am perplexed and a little disappointed but it seems that a great element of control is coming from on high.

Mrs. Joyce Savoline: I too am very, very, very disappointed. This bill is a no-brainer. All it does is support the government bill. It was cross-jurisdictional, and that's why I brought it to this committee. It does have some economic ties. There are businesses that are having to decide whether to allow patrons to smoke, in spite of the fact that there are patrons upset about folks smoking in doorways or insisting on smoking medical marijuana in an establishment or a public place, and then getting in a car and driving home. Police hands are tied. With this, we close a loophole. This is nothing more than promoting, first of all, the ability for an owner of an establishment to have some muscle, something to fall back on, when they're asking somebody not to smoke in the presence of their other patrons.

Second of all, the risk to the patrons who are walking in and out of the doorway, to the staff—second-hand smoke is documented as a very serious thing in our society. There are jurisdictions that have banned smoking altogether, even outside on patios and from much further distances than what we're allowing for in this bill.

I would have hoped, since there is no business this committee is doing, that we do have the jurisdiction within our committee system to decide to take on business. It doesn't have to come from the House leaders. We have the opportunity to move this forward and close that loophole, have the whole thing said and done, and we move on. To stand on precedent, even though we have the jurisdiction, to me makes no sense in this matter.

This is not reinventing the wheel; we're not starting with a brand new bill. We are simply imposing a layer of greater safety for the residents of Ontario and some support for business owners who find themselves in a predicament where they cannot, because of the little certificate that allows people to smoke marijuana for medicinal purposes, move these folks away from other patrons at their establishments.

I would hope that today we understand the difference between having the time and being able to move this forward in a logical and responsible way and banking on precedent and whatever—I don't know. Orders have come down from on high that no bill will move forward through committee regardless of how little work the committee has at the present, because that's the way it's going to be. It just makes no sense. I cannot follow that logic. I'm not understanding why this bill in particular, considering it strengthens and closes a loophole in a government bill that everybody was extremely thrilled came forward and passed—we finally had an Ontario-wide smoking ban. That couldn't have been better. All this does is make that bill stronger.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, I'll call the question.

Mr. Michael Prue: Recorded vote.

Ayes

Barrett, Prue, Savoline.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Ramal.

The Chair (Mr. Pat Hoy): The report has not carried and the committee is adjourned.

The committee adjourned at 0916.

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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 24 April 2008

Journal des débats (Hansard)

Jeudi 24 avril 2008

Standing Committee on Finance and Economic Affairs

Budget Measures and Interim
Appropriation Act, 2008

Comité permanent des finances et des affaires économiques

Loi de 2008 sur les mesures
budgétaires et l'affectation
anticipée de crédits

Chair: Pat Hoy
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Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 24 April 2008

Jeudi 24 avril 2008

The committee met at 0905 in room 151.

The Chair (Mr. Pat Hoy): Good morning, committee. We shall now come to order, and our first order of business will be to take a short recess, as we have more incoming amendments and the clerk needs to file them in order of their appearance within the bill. We shall recess until we get them photocopied.

The committee recessed from 0905 to 0917.

The Chair (Mr. Pat Hoy): The standing committee on finance and economic affairs will now come to order. You should each have the additional amendments.

SUBCOMMITTEE REPORT

The Chair (Mr. Pat Hoy): I would ask that the subcommittee report be read into the record.

Mr. Wayne Arthurs: Your committee met on Thursday, April 17, 2008, to consider the method of proceeding on Bill 44, An Act respecting Budget measures, interim appropriations and other matters, and recommends the following:

(1) That the committee meet for the purpose of clause-of-clause consideration of Bill 44 on Thursday, April 24, 2008, at 9 a.m. in Toronto;

(2) That for administrative purposes, proposed amendments be filed with the clerk of the committee by 5 p.m. on Tuesday, April 22, 2008.

The Chair (Mr. Pat Hoy): All in favour? Carried.

BUDGET MEASURES AND
INTERIM APPROPRIATION ACT, 2008LOI DE 2008
SUR LES MESURES BUDGÉTAIRES
ET L'AFFECTATION ANTICIPÉE
DE CRÉDITS

Consideration of Bill 44, An Act respecting Budget measures, interim appropriations and other matters / Projet de loi 44, Loi concernant les mesures budgétaires, l'affectation anticipée de crédits et d'autres questions.

The Chair (Mr. Pat Hoy): Now I would ask for unanimous consent to stand down sections 1 through 3—that is a rather normal practice—and then we would move right to the schedules of Bill 44, An Act respecting Budget measures, interim appropriations and other matters. Agreed? Agreed.

We will go back to those later in the day.

In the package for the committee, page 1, a PC motion. Mr. Barrett.

Mr. Toby Barrett: Thank you, Chair. On behalf of the official opposition, I appreciate the opportunity to put forward some amendments at this meeting of our standing committee.

The Chair (Mr. Pat Hoy): I beg your pardon. I'm advised that schedule A, sections 1 through 4, did not have any amendments.

Shall sections 1 to 4 of schedule A, inclusive, carry? All in favour? Carried.

Now you can continue, Mr. Barrett.

Mr. Toby Barrett: Thank you, Chair. As I was saying, we do have a number of amendments, and if we take a look at our Bill 44 sheets, on page 2 you will find a PC motion to be moved.

I move that schedule A to the bill be amended by adding the following section:

"4.1 The act is amended by adding the following section:

"Maximum increase in assessed value

"19.1.1(1) Despite any other provision of this act, the assessed value of each property for the 2009 and every subsequent taxation year shall not exceed the assessed value of the property for the 2008 taxation year by more than five per cent.

"Termination of cap

"(2) Subsection (1) continues to apply to each property until such time as the property is transferred to a person other than a spouse or child of the person who owned the property on January 1, 2009."

The Chair (Mr. Pat Hoy): I'm going to have to rule this particular motion out of order, as it is beyond the scope of the bill.

Mr. Toby Barrett: I'll defer to the Chair on that decision.

The Chair (Mr. Pat Hoy): We'll move to PC motion number 2 in your package. Mr. Barrett.

Mr. Toby Barrett: Found on page 3.

I move that schedule A to the bill be amended by adding the following section:

"4.1 The act is amended by adding the following section:

"Maximum increase in assessed value

"19.1.1(1) Despite any other provisions of this act, the assessed value of each property for the 2009 and every subsequent taxation year shall not exceed the as-

essed value of the property for the 2008 taxation by more than the percentage prescribed by the regulations.

“Termination of cap

“(2) Subsection (1) continues to apply to each property until such time as the property is transferred to a person other than a spouse or child of the person who owned the property on January 1, 2009.”

The Chair (Mr. Pat Hoy): I am going to have to rule that this motion is also out of order, as it is beyond the scope of the bill.

Now, Mr. Barrett, you're one page ahead of us, so when you say page 4, it's actually page 3 in my binder, but go ahead. You must be counting the cover page, so when you say 4, we're actually on 3 in my binder.

Mr. Toby Barrett: All right. I'll let people look up the pages themselves, or maybe have him indicate what page the committee turns to.

The next amendment the opposition wishes to move is:

“4.1 The act is amended by adding the following section:

“Maximum increase in assessed value

“19.1.1(1) Despite any other provision of this act, the assessed value of each property for the 2010 and every subsequent taxation year shall not exceed the assessed value of the property for the 2009 taxation year by more than five per cent.

“Termination of cap

“(2) Subsection (1) continues to apply to each property until such time as the property is transferred to a person other than a spouse or child of the person who owned the property on January 1, 2010.”

The Chair (Mr. Pat Hoy): I'm going to rule this motion out of order, as it is beyond the scope of the bill.

Mr. Toby Barrett: I'll defer to the Chair on that one.

The Chair (Mr. Pat Hoy): Continue with your next one.

Mr. Toby Barrett: The next amendment is:

“4.1 The act is amended by adding the following section:

“Maximum increase in assessed value

“19.1.1(1) Despite any other provision of this act, the assessed value of each property for the 2010 and every subsequent taxation year shall not exceed the assessed value of the property for the 2009 taxation year by more than the percentage prescribed by the regulations.

“Termination of cap

“(2) Subsection (1) continues to apply to each property until such time as the property is transferred to a person other than a spouse or child of the person who owned the property on January 1, 2010.”

The Chair (Mr. Pat Hoy): This motion I will rule out of order, as it is beyond the scope of the bill.

We'll continue with the next motion.

Mr. Toby Barrett: “4.2 The act is amended by adding the following section:

“Assessed value of home not affected by repairs, etc.

“19.1.2 Despite any other provision of this act, the assessed value of a property shall not be increased by

reason of any increase in the current value of the property resulting from repairs, alterations, improvements or additions to the property having a value of not more than \$25,000.”

The Chair (Mr. Pat Hoy): I rule this motion out of order, as it is beyond the scope of the bill.

Your next one?

Mr. Toby Barrett: “4.2 The act is amended by adding the following section:

“Reduction in assessed value of home for seniors and disabled persons

“19.1.3 Despite any other provision of this act, the assessed value of a property in the residential property class shall be reduced by \$10,000 if the property is the principal residence of a person who has reached the age of 65 years or who is disabled.”

The Chair (Mr. Pat Hoy): I'm going to rule this motion out of order, as it is beyond the scope of the bill.

Now we are at schedule A, sections 5 through 9 inclusive. There are no amendments to schedule A, sections 5 through 9 inclusive. Shall sections 5 through 9 carry? All in favour? Carried.

In our binders we now come to PC motion number 7. Mr. Barrett.

Mr. Toby Barrett: I move that subsections 39.1(1) and (2) of the Assessment Act, as set out in section 10 of schedule A to the bill, be struck out and the following substituted:

“Reconsideration of assessment

“39.1(1) For 2009 and subsequent taxation years, the owner of a property or a person who has received or would be entitled to receive a notice of assessment under this act may request the assessment corporation to reconsider any matter relating to the assessment or classification of the property, including any matter that could form the basis of an appeal under subsection 40(1), no later than September 30 of the taxation year in respect of which the request is made.”

The Chair (Mr. Pat Hoy): Any comment?

Mr. Toby Barrett: I'd just comment briefly that in February 2009 most property owners will receive their tax bills based on the 2008 taxes, and the new assessments affecting the 2009 actual taxes will not yet have been processed by any municipality. So this PC amendment essentially requests that we move the deadline for appeal back until September 30.

Mr. Wayne Arthurs: Very briefly, certainly the government and the minister believe that a period of a minimum of four months from the time one receives their notice in which to consider an appeal process or review process is adequate. The deadline of March 31, we believe, is an appropriate one.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: I will be supporting the Conservative motion, although from the statement of the parliamentary assistant I think there's not much chance of it passing. It's merely an extension of an appeal time, and I think that citizens, not having had this experience in the

last several years due to the freeze, would more than likely welcome such an extension.

Mr. Toby Barrett: The parliamentary assistant does draw the committee's attention to that deadline of March 31, but the final tax bill showing the full force of any tax changes really doesn't come out until April or May, so the homeowner will not be able to file a reconsideration because of that March 31 deadline. Hence we ask for this September 30 deadline for appeal.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

PC motion number 8.

Mr. Toby Barrett: I move that subsections 39.1(7) and (8) of the Assessment Act, as set out in section 10 of schedule A to the bill, be struck out and the following substituted:

"Notice of reconsideration

"(7) For 2009 and subsequent taxation years, the assessment corporation shall mail to the person making a request under subsection (1) or (3) the results of its reconsideration within 180 days of the request being made."

The Chair (Mr. Pat Hoy): Any comment? Hearing none, all in favour? Opposed? The motion is lost.

PC motion 9.

Mr. Toby Barrett: I move that subsections 40(5), (6) and (7) of the Assessment Act, as set out in section 11 of schedule A to the bill, be struck out and the following substituted:

"Last day for appealing, if request made under section 39.1

"(5) For 2009 and subsequent taxation years, if a person has made a request for reconsideration in respect of a property under section 39.1, whether or not the person is required to do so as a precondition of appeal under subsection (3), the last day for the person to appeal for a taxation year is the later of March 31 of the following taxation year and 90 days after the notice by the assessment corporation under subsection 39.1(7) has been mailed.

"Same, if precondition under subsection (3) does not apply

"(6) For 2009 and subsequent taxation years, if a person has not made a request for reconsideration in respect of a property under section 39.1 and is not required to do so as a precondition of appeal under subsection (3), the last day for the person to appeal for a taxation year is March 31 of the following taxation year.

"Exception, if time for returning roll is extended

"(7) If the assessment corporation extends the time for returning the assessment roll for a taxation year after 2008, the last day for appealing in respect of a property for a person to whom the precondition of appeal in subsection (3) does not apply is 90 days after the return of the assessment roll or March 31 of the following taxation year, whichever is later."

0930

The Chair (Mr. Pat Hoy): I'm going to interrupt you there. I got ahead of myself. We have to return to the last schedule and vote on it.

I'll ask the committee, shall schedule A, section 10, carry? All in favour? Carried.

I apologize for that.

Now we're talking about the motion put forth by Mr. Barrett, section 11. Any comment?

Mr. Toby Barrett: Yes, thank you, Chair. This particular motion is designed to ensure that once you get your property assessment notice, you have, in this case, until March 31 of the next tax year to appeal or within 90 days of receiving the notice, whichever is later.

Mr. Wayne Arthurs: Mr. Chairman, the government believes that the current provisions are appropriate, providing a consistent 90-day time frame after the receipt of the RFR decision.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule A, section 11, carry? All in favour? Carried.

There are no amendments for schedule A, sections 12 through 21, inclusive. All in favour? Opposed? Carried.

Shall schedule A carry? All in favour? Carried.

Now we're at the PC motion on page 10.

Mr. Toby Barrett: I move that section 67 of the Capital Investment Plan Act, 1993, as set out in section 1 of schedule B to the bill, be amended by adding the following subsection:

"Approval of the Legislature

"(1.1) Despite subsection (1), the Minister of Finance shall not make a grant under this section unless,

"(a) the Minister of Finance lays before the Legislative Assembly a report setting out the name of the proposed recipient, the amount of the proposed grant and the intended purpose for which it is proposed that the grant be made; and

"(b) the payment of the grant by the Minister of Finance is approved by the Legislative Assembly on motion."

The Chair (Mr. Pat Hoy): Any comment?

Mr. Toby Barrett: It's just essentially asking for a requirement that the finance minister lay a report before the House setting out the details of the approved grant and get the approval of the members before paying such a grant.

Mr. Wayne Arthurs: Mr. Chairman, the minister would not make a grant unless it was approved by the assembly and their processes for that, including the payments being approved through the estimates process as well as reporting on expenditures through the public accounts process.

Mr. Michael Prue: My reading of this is that this would involve school boards, local health systems, colleges of applied arts and technology, universities, municipalities and children's aid societies. Would it involve other grants to groups that did not include these?

Mr. Toby Barrett: Quite honestly, I can't give you an answer on that.

Mr. Michael Prue: Okay, thank you.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule B, section 1, carry? All in favour? Carried.

There are no amendments to schedule B, section 2. Shall schedule B, section 2, carry? All in favour? Opposed? Carried.

Shall schedule B carry? All in favour? Opposed? Carried.

There are no amendments to the next schedule. Shall schedule C, sections 1 through 3, inclusive, carry? All in favour? Opposed? Carried.

Now we're at the PC motion on page 11.

Mr. Toby Barrett: I move that clause 309(3)(a) of the City of Toronto Act, 2006, as set out in section 4 of schedule C to the bill, be struck out and the following substituted:

"(a) requiring that the information that must or may be included on or with tax bills under section 308 be determined on consultation between the city and the minister;"

The Chair (Mr. Pat Hoy): Any comment?

Mr. Toby Barrett: Again, the city, referring to the city of Toronto; it would require that the minister and the city of Toronto consult to determine the required information on tax bills.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: Although the province wants to continue its relationship and partnership with municipalities, and the city of Toronto in particular, in the particular indication of this motion, it also needs the capacity to be able to put information of importance to constituents as it relates to the province within that tax bill.

Mr. Michael Prue: I'm not sure of the purpose or intent of this particular motion. I don't understand why it's here. When I read what is here, and this addition, it seems to be singling out Toronto. Is that the purpose of it?

Mr. Toby Barrett: I would like to include Norfolk county and Haldimand county and some others, but the way it was written up, I know that the City of Toronto Act is specifically referenced in this legislation. Beyond that, I'm a strong believer in public consultation.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Toby Barrett: Apparently, there is a similar amendment for the Municipal Act. We want this similar amendment with respect to the City of Toronto Act.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule C, section 4, carry? All in favour? Carried.

Schedule C, sections 5 through 9 inclusive, have no amendments. Shall schedule C, sections 5 through 9 inclusive, carry? All in favour? Opposed? Carried.

Shall schedule C carry? All in favour? Opposed? Carried.

Now we have the NDP motion on page 12.

Mr. Michael Prue: Mr. Chair, at this point I am seeking the concurrence of committee to withdraw motions 12 through 19 inclusive.

The Chair (Mr. Pat Hoy): Are we agreed? Agreed.

Mr. Michael Prue: I see the smile on the Chair's face here.

The Chair (Mr. Pat Hoy): I was thinking of my grandson; that's all.

Mr. Michael Prue: Well, of course. I know.

The Chair (Mr. Pat Hoy): Would you confirm, Mr. Prue, that motions 12 through 19 inclusive, are withdrawn?

Mr. Michael Prue: Yes, all of them are withdrawn.

The Chair (Mr. Pat Hoy): Shall schedule D, section 1, carry? All in favour? Opposed? Carried.

Shall schedule D, section 2, carry? All in favour? Carried.

Shall schedule D, section 3, carry? All in favour? Carried.

Shall schedule D, section 4, carry? All in favour? Carried.

Shall schedule D carry? All in favour? Carried.

Shall schedule E, section 1, carry? All in favour? Carried.

Now we are at PC motion 20, schedule E. Mr. Barrett. 0940

Mr. Toby Barrett: I move that schedule E to the bill be amended by adding the following section:

"1.1 The act is amended by adding the following section:

"Tax rate for 2008 and later years

"38.0.1 Despite clause 38(2)(e), the specified basic rate of tax of a corporation for every taxation year ending after December 31, 2007 is 12 per cent."

The Chair (Mr. Pat Hoy): Any comment?

Mr. Toby Barrett: There is certainly evidence in the past that investment does move to lower-taxed jurisdictions. I'm just looking at today's Report on Business in the Globe and Mail: "Ontario in Midst of 'Very Mild' Recession." This is data pulled together by the U of T's Institute for Policy Analysis on provincial growth in the fourth quarter of last year: "The forecasters say Ontario's economy contracted 0.4% in the first quarter of this year from the previous quarter. The province is in the midst of shrinking another 0.1% in the second quarter from the first." I won't go on. I'll just summarize by saying that tax cuts create jobs.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Michael Prue: It's just a question. As I understand this, you are seeking to reduce the corporate level of taxation from 14% down to 12% as a result of this motion. How much would that cost the treasury of the province of Ontario?

Mr. Toby Barrett: That's a good question. I don't know whether the parliamentary assistant would have any projection on that. We like to think of that as how

that will boost the economy in Ontario, but I know people are always concerned about revenue that comes into the public sector.

Mr. Michael Prue: I'm concerned about the revenue because it would go to schools or hospitals or welfare or whatever. How much is this?

Mr. Wayne Arthurs: The government does have a very specific strategy in respect to the reduction of business taxation, the capital tax, particularly those rates in the manufacturing and resource sectors, currently a business education tax with an accelerated business education tax reduction in northern Ontario, capital cost allowance and other matters, but we don't support the motion before us for a reduction in the corporate income tax.

Mr. Toby Barrett: Just further to the NDP question, as I indicated, tax cuts create jobs—more people working, more people paying taxes. Again, on the principle that investment also, in contrast to what I said previously, as evidenced, moves to lower-taxed jurisdictions—more business, more corporate taxes coming in—in addition to the working families that are supported by these companies.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

There are no amendments in the following schedule E sections, 2 to 10 inclusive. Shall schedule E, sections 2 to 10 inclusive carry? All in favour? Carried.

Now PC motion 21.

Mr. Toby Barrett: On behalf of the opposition, I wish to move that subsection 11(1) of schedule E to the bill, be struck out and the following substituted:

“11.(1) Subsection 66(1.1) of the act is repealed and the following substituted:

“Capital tax rate

“(1.1) The capital tax rate for a corporation for a taxation year is 0.3 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007 to the total number of days in the taxation year.”

The Chair (Mr. Pat Hoy): Any comment?

Mr. Toby Barrett: As this bill is presently written, the capital tax was eliminated for the manufacturing and resource sectors. We wish to take that further.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 22.

Mr. Toby Barrett: Still on schedule E, I move that subsection 66(1.2) of the Corporations Tax Act, as set out in subsection 11(2) of schedule E to the bill, be struck out and the following substituted:

“No tax payable after December 31, 2006

“(1.2) No tax is payable under this part by a corporation that is not a financial institution for a taxation year ending after December 31, 2006.”

The Chair (Mr. Pat Hoy): Any comment?

Mr. Wayne Arthurs: Yes. The government does have a very specific strategy for the elimination of that

capital tax. It's being quite aggressive in that regard, particularly this year and retroactively with respect to the manufacturing and resource sectors.

Mr. Michael Prue: I just want to make sure that I'm clear on what the purport of this motion is. It appears that the Conservative motion is taking back the date—the motion in the bill is December 31, 2008. You're giving a two-year tax windfall for past taxes, paid back to 2006. Is that what this is?

Mr. Toby Barrett: That's my understanding. This would be for all corporations but not financial institutions. The previous amendment, by the way, did include financial institutions; this one does not, just by way of clarification.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

PC motion on page 23.

Mr. Toby Barrett: I move that the definition of “G” in subsection 66(4.1) of the Corporations Tax Act, as set out in subsection 11(3) of schedule E to the bill, be struck out and the following substituted:

“‘G’ is 0.6 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007, to the total number of days in the taxation year, and”

It ends there.

The Chair (Mr. Pat Hoy): Any comment? Hearing none, all in favour? Opposed? The motion is lost.

PC motion on page 24.

Mr. Toby Barrett: I move that the definition of “J” in subsection 66(4.2) of the Corporations Tax Act, as set out in subsection 11(4) of schedule E to the bill, be struck out and the following substituted:

“‘J’ is 0.9 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007, to the total number of days in the taxation year, and”

The Chair (Mr. Pat Hoy): All in favour? Opposed? The motion is lost.

PC motion 25.

Mr. Toby Barrett: I move that the definition of “L” in subsection 66(4.3) of the Corporations Tax Act, as set out in subsection 11(5) of schedule E to the bill, be struck out and the following substituted:

“‘L’ is 0.72 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007, to the total number of days in the taxation year, and”

The Chair (Mr. Pat Hoy): Any comment?

Mr. Michael Prue: The difference between what is in the bill and what's being proposed: I don't see it.

0950

Mr. Toby Barrett: I'm not clear myself, colleague.

Chair, I've gotten behind in going through the bill. I would like to ask legislative counsel to perhaps explain this one and the previous one.

The Chair (Mr. Pat Hoy): Very well.

Ms. Catherine Macnaughton: The provisions relate to the calculation of the tax. There's a change in rate for different periods of time. If you look at "L" in the act now, which is in sub (5), it's the sum of two amounts, depending upon what period of time the tax applies to. The effect of the amendment is to remove clause (b) of "L," which would be for the period of 2007-08, so that the capital tax would end at the end of December 2006. So it's consistent with the other amendments that Mr. Barrett has proposed.

The Chair (Mr. Pat Hoy): Thank you.

Mr. Michael Prue: I wasn't clear that (b) had been taken out as a result of this because it reads exactly the same as (a) does now.

Ms. Catherine Macnaughton: It reads the same as (a), but all of "L" is being—

Mr. Michael Prue: You see, it wasn't the deletion of (b), which would have been simple for me to understand.

Ms. Catherine Macnaughton: If we just struck out (b).

Mr. Michael Prue: Okay, that's what it does, it strikes out (b).

Ms. Catherine Macnaughton: The effect of it is it takes out (b).

Mr. Michael Prue: All right.

Ms. Catherine Macnaughton: And with all of the other amendments that Mr. Barrett has, the effect is to take out (b) in each one of those calculations.

The Chair (Mr. Pat Hoy): Thank you very much. Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

PC motion, page 26.

Mr. Toby Barrett: I move that subsection 66(4.4) of the Corporations Tax Act, as set out in subsection 11(6) of schedule E to the bill, be struck out and the following substituted:

"No tax payable after December 31, 2006 by financial institution

"(4.4) No tax is payable under this part by a financial institution for a taxation year ending after December 31, 2006."

The Chair (Mr. Pat Hoy): Any comment?

Mr. Michael Prue: I just want to be clear what the intent is. This is to allow the banks that made billions of dollars in profit over the last couple of years to not pay taxes under this section. You want me to vote to give extra money to CIBC, TD and Royal Bank because they didn't make enough?

Mr. Toby Barrett: And other financial institutions.

Mr. Michael Prue: Okay, thank you. All right. I just want to know what this is for.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule E, section 11, carry? All in favour? Opposed? Carried.

Now we have PC motion, page 27. Mr. Barrett.

Mr. Toby Barrett: I move that the definition of "D" in clause 66.1(3.2)(b) of the Corporations Tax Act, as set

out in section 12 of schedule E to the bill, be struck out and the following substituted:

"D" is 0.9 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007 to the total number of days in the taxation year."

The Chair (Mr. Pat Hoy): Any comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule E, section 12, carry? All in favour? Carried.

There are no amendments to the following section. Shall schedule E, section 13, carry? All in favour? Opposed? Carried.

Shall schedule E, section 14, carry? All in favour? Carried.

Shall schedule E, section 15, carry? All in favour? Carried.

Shall schedule E carry? All in favour? Opposed? Carried.

Shall schedule F, sections 1 through 3, inclusive, carry? All in favour? Carried.

Shall schedule F carry? All in favour? Opposed? Carried.

Shall schedule G, sections 1 through 6, inclusive, carry? All in favour? Opposed? Carried.

Shall schedule G carry? All in favour? Opposed? Carried.

Shall schedule H, sections 1 through 3, inclusive, carry? All in favour? Opposed? Carried.

Shall schedule H carry? All in favour? Opposed? Carried.

Shall schedule I, sections 1 through 6, inclusive, carry? All in favour? Opposed? Carried.

Shall schedule I carry? All in favour? Opposed? Carried.

Shall schedule J, sections 1 through 7, inclusive, carry? All in favour? Opposed? Carried.

Shall schedule J carry? All in favour? Opposed? Carried.

Shall schedule K, sections 1 through 4, inclusive, carry? All in favour? Opposed? Carried.

Shall schedule K carry? All in favour? Opposed? Carried.

Now we've come to PC motion 28.

Mr. Toby Barrett: I move that subsection 3(3) of the Liquor Control Act, as set out in subsection 1(1) of schedule L to the bill, be struck out and the following substituted:

"Power of board to borrow

"(3) With the approval of the minister and the Minister of Finance"—now, I have a question here: "the minister and the Minister of Finance"—I'm not sure of the wording of our motion. It just says "the minister," but it doesn't say which one.

Mr. Michael Prue: The bill says the same: the minister responsible for the Liquor Control Board.

Mr. Toby Barrett: That would be our understanding of that?

Mr. Wayne Arthurs: Yes.

Mr. Toby Barrett: Okay. “With the approval of”—that minister—“the minister and the Minister of Finance and on the recommendation of the Standing Committee on Finance and Economic Affairs, the board may borrow money on its credit.”

The Chair (Mr. Pat Hoy): Any comment?

Mr. Michael Prue: I just want to make sure: This is to give extra work to the committee so that the committee would make that recommendation and pass it along to the appropriate ministers?

Mr. Toby Barrett: This would empower our committee and would provide more accountability and consultation if we approve, with permission of the various ministers mentioned, borrowing. As the bill currently stands, the LCBO has the authority to borrow funds, and conditions or terms can be attached to that kind of borrowing by the Minister of Finance or the Minister of Public Infrastructure Renewal.

Mr. Wayne Arthurs: It would be our view that the approvals currently required by the Minister of Finance and, at this time, the Minister of Public Infrastructure Renewal, are appropriate balances between the government's role and the commercial responsibilities of the Liquor Control Board.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

We have a new motion that was presented this morning, 28.1. It's a PC motion.

Mr. Toby Barrett: This one is still the Liquor Control Act, schedule L, subsection 1(2).

I move that subsection 3(5) of the Liquor Control Act, as set out in subsection 1(2) of schedule L to the bill, be amended by striking out “shall” and substituting “may”.

1000

The Chair (Mr. Pat Hoy): Any comments?

Mr. Toby Barrett: I just received this on my fax machine this morning, and I'm assuming—and maybe legislative counsel could assist—it's by way of justification of the same sentiments as I described in the previous amendment. Again, I'm at a disadvantage, because I—

Mr. Michael Prue: It would appear to me that what the law says here is quite clear. If the board wants to make a major capital expenditure, it shall borrow the necessary funds. What this is saying is that it may borrow the necessary funds in accordance with the section. So I don't know where else they would borrow it, if this is granted. If they want it, the “shall” means they must, and the “may” is giving them an option. I don't know where their other option is.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: I just don't understand what this is attempting to do, because I don't know what other source of funds they could possibly use. If they may use this or may this, I can understand that.

Mr. Toby Barrett: As I understand, this would give the LCBO the option to use some of their existing funds

for capital expenditures, rather than being put in the corner of being obliged to borrow.

Mr. Michael Prue: So what this is doing is allowing the LCBO to do what it has always done, and use monies from its own revenue to finance capital projects?

Mr. Toby Barrett: That's my understanding.

Mr. Michael Prue: Oh, all right.

The Chair (Mr. Pat Hoy): Any further comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule L, section 1, carry? All in favour? Opposed? Carried.

Shall schedule L, section 2, carry? All in favour? Opposed? Carried.

Shall schedule L, section 3, carry? All in favour? Opposed? Carried.

Shall schedule L carry? All in favour? Opposed? Carried.

Shall schedule M, sections 1 through 2, inclusive, carry? All in favour? Opposed? Carried.

Shall schedule M carry? All in favour? Opposed? Carried.

Shall schedule N, sections 1 through 2, inclusive, carry? All in favour? Opposed? Carried.

Shall schedule N carry? All in favour? Opposed? Carried.

Shall schedule O, sections 1 through 3, inclusive, carry? All in favour? Opposed? Carried.

PC motion 29. Mr. Barrett.

Mr. Toby Barrett: This is section 4, schedule O, Municipal Act, 2001. I think I have the right amendment.

I move that clause 344(3)(a) of the Municipal Act, 2001, as set out in section 4 of schedule O to the bill, be struck out and the following substituted:

“(a) requiring that the information that must or may be included on or with tax bills under section 343 be determined on consultation between the municipality and the minister.”

The Chair (Mr. Pat Hoy): Any comment?

Mr. Toby Barrett: This amendment would require all Ontario municipalities and the minister to determine the required info on tax bills by consultation. I know we had a previous amendment specifically to the City of Toronto Act in the city of Toronto. This, as I understand, would cover all Ontario municipalities, including the city of Toronto, although that's probably already covered by the previous amendment.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: It's my understanding that the form and content of the tax bills were originally regulated by the province as early as 2001, and the province needs to continue to have flexibility in regard to providing Ontarians with information by insert. We'll certainly continue our ongoing discussions with our municipal partners, but the province needs the capacity to be able to act in the interests of Ontarians broadly.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule O, section 4, carry? All in favour? Opposed? Carried.

Schedule O, sections 5 through 9 inclusive: Shall they carry? All in favour? Opposed? Carried.

Shall schedule O carry? All in favour? Opposed? Carried.

Schedule P, section 1. Shall it carry? All in favour? Opposed? Carried.

Now we are on page 30, a PC motion.

Mr. Toby Barrett: This refers to the Ontario Loan Act, 2008.

I move that subsection 2(1) of the act set out in schedule P be struck out and the following substituted:

“Expiry

“(1) No order in council authorizing borrowing under this act shall be made after March 31, 2009.”

The Chair (Mr. Pat Hoy): Any comment? Hearing none, all in favour? Opposed? The motion is lost.

PC motion 31.

Mr. Toby Barrett: With respect to the Ontario Loan Act, 2008, I move that subsection 2(2) of the act set out in schedule P to the bill be amended by striking out each reference to “December 31, 2011” in the portion before clause (a) and by substituting “March 31, 2009” in each case.

The Chair (Mr. Pat Hoy): Any comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule P, section 2, carry? All in favour? Opposed? Carried.

Shall schedule P, section 3, carry? All in favour? Carried.

Shall schedule P, section 4, carry? All in favour? Carried.

Shall schedule P carry? All in favour? Opposed? Carried.

Schedule Q, section 1. PC motion on page 32.

Mr. Toby Barrett: I move that section 1 of schedule Q to the bill be struck out and the following substituted:

“1. Subsection 4(3) of the Ontario Lottery and Gaming Corporation Act, 1999 is repealed and the following substituted:

“Power of the corporation to borrow

“(3) With the approval of the minister”—that would be the Minister of Public Infrastructure Renewal, if I’m not mistaken. Does that make sense?—“and the Minister of Finance and on the recommendation of the Standing Committee on Finance and Economic Affairs, the corporation may borrow money on its credit or give security against property.

“Borrowing, approval

“(3.1) An approval under subsection (3) may be subject to such terms and conditions as the minister and the Minister of Finance consider advisable.”

The Chair (Mr. Pat Hoy): Any comment?

Mr. Toby Barrett: Again, as the legislation is currently written, the ministers of both finance and public infrastructure renewal can attach terms and conditions to approvals. The sentiment here is to provide some additional empowerment to this standing committee.

Mr. Wayne Arthurs: The view of the government would be the same as with respect to the earlier motion as it is related to the liquor board, and that is that the responsibilities and authorities requiring approval of the Minister of Finance and, currently, the Minister of Public Infrastructure Renewal are appropriate balances between the government role, the oversight necessary and the commercial activities of the OLGC.

The Chair (Mr. Pat Hoy): Other comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule Q, section 1, carry? All in favour? Opposed? Carried.

Now we have this additional one that came in this morning, a PC motion, 32.1.

1010

Mr. Toby Barrett: I move that subsection 13.1(1) of the Ontario Lottery and Gaming Corporation Act, 1999, as set out in section 2 of schedule Q to the bill, be amended by striking out “shall” and substituting “may”.

The Chair (Mr. Pat Hoy): Any comment? Hearing none, all in favour? Opposed? The motion is lost.

Shall schedule Q, section 2, carry? All in favour? Opposed? Carried.

Shall schedule Q, section 3, carry? All in favour? Carried.

Shall schedule Q, section 4, carry? All in favour? Carried.

Shall schedule Q, section 5, carry? All in favour? Opposed? Carried.

Shall schedule Q carry? All in favour? Carried.

Shall schedule R, sections 1 through 3, inclusive, carry? All in favour? Carried.

Now we’re on page 33, a PC motion.

Mr. Toby Barrett: I move that paragraph 69 of subsection 7(1) of the Retail Sales Act, as set out in subsection 4(2) of schedule R to the bill, be struck out and the following substituted:

“69. Bicycles, as defined in the Highway Traffic Act, purchased after November 30, 2007 and before January 1, 2011 at a price of \$2,000 or less, and bicycle safety equipment, including bicycle helmets, purchased after November 30, 2007 and before January 1, 2011.”

The Chair (Mr. Pat Hoy): Any comment?

Mr. Michael Prue: It’s more of a question than a comment. It seems that the change here is bicycles under \$1,000 are in the bill—you’re moving it to \$2,000. I’m wondering, how many extra bicycles do you think are going to be sold between \$1,000 and \$2,000? I know I can go into a bicycle shop and maybe find something made out of titanium, hand-tooled and everything else, but how many would this possibly involve, and why are you doing it for such a luxury bicycle?

Mr. Toby Barrett: Actually, when I first read this bill, I thought maybe it was an NDP bill.

Mr. Michael Prue: No. I agree with bicycles, but I don’t know how many bicycles cost more than \$1,000. I’ve never gone out to price one, but mostly, when I see them in stores, it’s \$100, \$200 or \$300 for a bicycle. A

\$2,000 bicycle I can't even imagine. It would have to be really hand-tooled and custom-made, in my view.

Mr. Toby Barrett: The sentiment of this, I assume, is just to cover off all bicycles. I wouldn't personally pay more than—again, I'll pay a hundred bucks for a car. It's an amendment to raise the price to \$2,000 to cover anybody who does get dinged or for some reason pays more than \$1,000 for a bicycle to take advantage of the tax exemption.

Mr. Wayne Arthurs: I think something like 90% plus of bikes sold in Ontario are under \$1,000. I think we've captured the vast majority. Like the member who moved it, I thought maybe Jack Layton had consulted with the PC caucus on drafting the motion.

Mr. Michael Prue: Have you ever seen Jack Layton's bicycle, the double-decker that he rides with Olivia? I don't think—I know it doesn't cost \$1,000.

Mr. Toby Barrett: I just totalled my car on the QEW on Monday, and it's worth less than \$1,000. I'm not kidding.

Mr. Wayne Arthurs: I've seen your car.

Mr. Toby Barrett: I'm not kidding. That was the other car. This is my wife's car, the new car.

Mr. Michael Prue: Does anybody have any information on how many bicycles will be sold in Ontario that cost in excess of \$1,000 that this will capture?

Mr. Toby Barrett: Did I not hear 10%, maybe?

Mr. Wayne Arthurs: My comment was that the information we have is that in the neighbourhood of or more than 90% of bicycles sold in Ontario are sold below the \$1,000 threshold. The vast majority by far are being captured with this exemption.

Mr. Toby Barrett: Yes. We will continue to be green as a party.

The Chair (Mr. Pat Hoy): I'll call the question. All in favour? Opposed? The motion is lost.

Shall schedule R, section 4, carry? All in favour? Opposed? Carried.

Shall schedule R, sections 5 to 7, inclusive, carry? All in favour? Opposed? Carried.

Shall schedule R carry? All in favour? Carried.

Shall schedule S, sections 1 through 4, inclusive, carry? All in favour? Opposed? Carried.

NDP motion on page 34.

Mr. Michael Prue: I move that subsection 22.(2) of the Taxation Act, 2007, as set out in section 5 of schedule S to the bill, be struck out and the following substituted:

"Interpretation, maximum tax credit

"(2) The maximum tax credit permitted for a taxation year in respect of investments made by an individual in corporations registered under part III of the Community Small Business Investment Funds Act is, for each taxation year ending after 2008, unless otherwise prescribed, the sum of,

"(a) the lesser of \$1,125 and the amount equal to 15 per cent of the equity capital received from the taxpayer during that taxation year or during the first 60 days of the following year by the corporations on the issue of Class A shares; and

"(b) the lesser of \$375 and the amount equal to five per cent of the equity capital received from the taxpayer during that taxation year or during the first 60 days of the following year by the corporations on the issue of Class A shares, if the shares were issued by the corporations as research-oriented investment funds under subsection 16.1(2) of the Community Small Business Investment Funds Act."

Can I just confirm this was part of—that should have been withdrawn.

Interjection.

Mr. Michael Prue: Yes. I'm sorry; I'm just reading it now. This as well should have been withdrawn with the others that were withdrawn earlier. It's all related to the same.

The Chair (Mr. Pat Hoy): We'll consider this motion withdrawn.

Shall schedule S, section 5, carry? All in favour? Carried.

PC motion 35.

Mr. Ted Arnott: I move that schedule S to the bill be amended by adding the following section:

"5.1 Subsection 29(2) of the act is repealed and the following substituted:

"Basic rate of tax

"(2) A corporation's basic rate of tax for a taxation year is 12 per cent."

By way of explanation, as we know, the current corporate tax rate is 14 per cent, and this amendment would allow the general corporate income tax rate for 2009 and later to be reduced to 12%. This is consistent with what our party has been saying for quite some time now in the lead-up to the budget and since that time.

Mr. Michael Prue: I asked Mr. Barrett this question earlier today: "Can you indicate to me how much that will cost the treasury of the province of Ontario?" He could not answer, by reducing the corporate tax rate from 14% down to 12%, what amount of money is involved here.

Mr. Ted Arnott: It is our belief that a reduction in the corporate income tax rate right now is absolutely essential to stimulate the economy, and that it would have a net economic benefit for the province of Ontario.

Mr. Michael Prue: Is this the same rationale that Mr. Harris used to talk about: Corporate tax rate reductions increase revenue to the province? Is that the same—

Mr. Ted Arnott: I'm familiar with Mr. Harris and his arguments of the past.

Mr. Michael Prue: And is this the same argument?

Mr. Ted Arnott: It's 2008 and we're entering into a recession. We believe that there's an absolute necessity to immediately stimulate the economy in this—

Mr. Michael Prue: No, I'm not arguing against the need to stimulate the economy. I'm just trying to figure out how much it's going to cost the revenue to the province of Ontario in this fiscal year.

Mr. Ted Arnott: And our party would contend and respond that we believe there would be a net economic benefit to the province if indeed this amendment were

passed and adopted as policy by the government of Ontario.

Mr. Michael Prue: Okay, thank you.

Mr. Wayne Arthurs: My comments would remain the same as or similar to ones made earlier during this committee hearing, that we have a strategy in respect to business tax reduction, which includes a capital tax elimination, the current elimination retroactively for the manufacturing and resource sectors, the business education tax reductions phased in, as well as accelerated in northern Ontario. So it's a fairly comprehensive strategy, targeting areas that business has been most adamant about and wanting to see as a first position to eliminate, and we're moving aggressively on that front.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Ted Arnott: I would ask for a recorded vote.

Ayes

Arnott.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Shall schedule S, sections 6 through 17, inclusive, carry? All in favour? Carried.

Now we're on page 36, a PC motion.

Mr. Ted Arnott: I move that section 18 of schedule S to the bill be struck out and the following substituted:

"18. Section 72 of the act is repealed."

The Chair (Mr. Pat Hoy): Any comment?

Mr. Ted Arnott: This would repeal the capital tax for all corporations for the years 2009 and onwards.

Mr. Wayne Arthurs: The government strategy, Mr. Chairman, remains the same. The acceleration of the capital tax elimination by July 1, 2010, and the current activity particularly around manufacturing and resources not only makes that more expeditious; it actually makes it retroactive.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Ted Arnott: I would ask for a recorded vote.

Ayes

Arnott.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Shall schedule S, section 18, carry? All in favour? Opposed? Carried.

We have a PC motion, page 37.

Mr. Ted Arnott: I move that section 19 of schedule S to the bill be struck out and the following substituted:

"19. Sections 73, 74, 75, 76, 77, 78, 79, 80 and 81 of the act are repealed."

The Chair (Mr. Pat Hoy): I'll rule this motion out of order, as it deals with sections that are not open in the bill.

Mr. Ted Arnott: Thank you, Mr. Chair.

The Chair (Mr. Pat Hoy): Shall schedule S, section 19, carry? All in favour? Opposed? Carried.

Now page 38, Mr. Arnott.

Mr. Ted Arnott: Could I ask for a two-minute recess, Mr. Chair?

The Chair (Mr. Pat Hoy): Do we have unanimous consent for a two-minute recess? Agreed.

The committee recessed from 1024 to 1025.

The Chair (Mr. Pat Hoy): The committee will resume. We were about to approach the motion on page 38, Mr. Arnott.

Mr. Ted Arnott: Yes, Mr. Chair. The remaining Conservative motions are housekeeping amendments with respect to our previous amendment, which was to request the immediate elimination of capital—

Interjection.

Mr. Ted Arnott: I'm going to withdraw the other Conservative motions.

The Chair (Mr. Pat Hoy): Which ones?

Mr. Ted Arnott: This one that we're dealing with right now.

The Chair (Mr. Pat Hoy): You'll withdraw 38?

Mr. Ted Arnott: Yes.

The Chair (Mr. Pat Hoy): Shall schedule S, section 20, carry? All in favour? Carried.

Shall schedule S, sections 21 to 29, inclusive, carry? All in favour? Carried.

Schedule S, section 30: A PC motion on page 39.

Mr. Ted Arnott: I'm withdrawing that motion.

The Chair (Mr. Pat Hoy): Page 40?

Mr. Ted Arnott: I'm withdrawing that as well.

The Chair (Mr. Pat Hoy): Page 41?

Mr. Ted Arnott: I'm withdrawing that as well.

The Chair (Mr. Pat Hoy): PC motion 42?

Mr. Ted Arnott: Withdrawn.

The Chair (Mr. Pat Hoy): PC motion 43?

Mr. Ted Arnott: Withdrawn.

The Chair (Mr. Pat Hoy): Shall schedule S, section 30, carry? All in favour? Carried.

Shall schedule S, sections 31 to 37, inclusive, carry? All in favour? Carried.

Shall schedule S carry? All in favour? Carried.

Shall schedule T, sections 1 through 2, inclusive, carry? All in favour? Carried.

Shall schedule T carry? Carried.

Going back, shall sections 1 through 3 carry? Carried.

Shall the title of the bill carry? All in favour? Carried.

Shall Bill 44 carry? All in favour? Carried.

Shall I report the bill to the House? Carried.

We are adjourned.

The committee adjourned at 1030.

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ISSN 1180-4386

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Thursday 1 May 2008

**Journal
des débats
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Jeudi 1^{er} mai 2008

**Standing Committee on
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Subcommittee report

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**Comité permanent des finances
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 1 May 2008

Jeudi 1^{er} mai 2008*The committee met at 0907 in room 151.*

SUBCOMMITTEE REPORT

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. The first order of business is to hear the subcommittee report. Mr. Arthurs.

Mr. Wayne Arthurs: Mr. Chairman, your subcommittee met on Tuesday, April 29, 2008, to consider the method of proceeding on Bill 35, An Act to authorize the Minister of Finance to make payments to eligible recipients out of money appropriated by the Legislature and to amend the Fiscal Transparency and Accountability Act, 2004, the Ministry of the Treasury and Economics Act and the Treasury Board Act, 1991, and recommends the following:

(1) That the committee meet for the purpose of clause-by-clause consideration of Bill 35 on Thursday, May 1, 2008, at 9 a.m. in Toronto.

(2) That for administrative purposes, proposed amendments be filed with the clerk of the committee by 1 p.m. on Wednesday, April 30, 2008.

The Chair (Mr. Pat Hoy): All in favour?

Mr. Tim Hudak: Debate?

The Chair (Mr. Pat Hoy): Do you have a comment?

Mr. Tim Hudak: Yes. The subcommittee met, and I know my colleague Toby Barrett brought this up as well, and maybe we can have a chance to talk about it a bit. The Auditor General has written a very strong letter making his objections known—and I know my colleague Mr. Arnott shares these concerns—to Bill 35. All members of the committee have been provided with a copy of the letter, I imagine; right? It's very serious when the Auditor General takes the time to comment on legislation. My colleague from the third party would know more than I that it's extremely rare for the Auditor General to wade into a debate on legislation. So, Chair, maybe through you to the parliamentary assistant, I wonder if there's a capability for this committee to hear directly from the Auditor General, as he volunteers to do in his letter.

Mr. Wayne Arthurs: I'm quite satisfied with the subcommittee report and to proceed accordingly. We have the letter; we've had the opportunity to review it, as have all members. I'm quite happy to proceed as per the subcommittee's report to the full committee.

Mr. Ted Arnott: Mr. Chair, my colleague is absolutely correct. I don't recall, in my years of service on this committee, the Auditor General making an explicit submission to a committee on a bill that's before the committee, expressing serious concerns and offering to come and talk to us about it. I think if we deny him that opportunity in his status as an independent officer of this Legislature, we're doing a disservice to the people of Ontario. I would hope that the government will reconsider, because I think it's most important that we have the expert opinion of the Auditor General. He is, again, an independent officer of this Legislature. He's non-political. Surely, we would be willing to listen to his advice with respect to this particular bill.

Mr. Michael Prue: We are here at committee as a result of a vote that took place in the House. Did the vote in the House preclude us having an opportunity to hear witnesses?

The Chair (Mr. Pat Hoy): It's the time allocation motion you're speaking to?

Mr. Michael Prue: Yes.

The Chair (Mr. Pat Hoy): I do recall that during the subcommittee meeting we talked about the fact that the order from the House said "clause-by-clause." However, the committee could discuss the letter, of course, and/or have the auditor here if they wished. But the conversation, as I recall, was that we would work on clause-by-clause. That doesn't preclude that the letter couldn't be discussed today, of course.

Mr. Michael Prue: If I could, my understanding of what took place in the committee was a discussion by Mr. Arthurs that we were here for the clause-by-clause alone, and that would make it difficult to hear witnesses. If what is being said now is that we can call a witness, even though I agreed with the subcommittee report, I would certainly entertain—or perhaps I'll move a motion. I move that we allow one witness, that being the Auditor General, so that we can question him in more detail on the contents of his letter.

The Chair (Mr. Pat Hoy): So, Mr. Prue, you're asking to amend the subcommittee report to include—

Mr. Michael Prue: To hear one witness, either this morning or this afternoon, that witness being the Auditor General.

Mr. Wayne Arthurs: I've already indicated the position I have, and that is that the subcommittee dealt with this. All three parties were present; the discussion

occurred. The subcommittee has made a recommendation. I'll be supporting the subcommittee report as it stands.

I know when we have discussion we're not sure who said what, but just for clarification, I didn't comment in respect to either clause-by-clause or hearing of witnesses. I know the matter was raised. It wasn't raised by me, nor did I speak to it at the subcommittee. So it wasn't the government side that was commenting on the nature of how we proceed, nor as to whether or not there should be witnesses heard.

Mr. Tim Hudak: I support the motion on the floor by my colleague Mr. Prue. It's the right thing to do. I'm not trying to belabour the legislation. I expect that our consideration of clause-by-clause will be relatively brief; there's a limited number of amendments. But I do want to point out that this bill, if passed by the assembly, gives extraordinary abilities for cabinet to pass regulations retroactively. They will have until some time in late August or September to administer the funds, as the bill would give them the power to do so.

There's not really a rush to get this bill done, since you still have five or six months before its powers for this particular fiscal year would cease, because of the nature of the bill. My point being, why don't we have a chance to listen to the Auditor General and see what his input is? I think his time here would probably be brief. He makes particular reference to a couple of clauses in the bill that he wants to see deleted. Then I would say, on behalf of my colleagues here, that I'm confident we can move forward with some speed on the rest of the bill. But I do think we should hear from the Auditor General first.

Mr. Tim Hudak: I guess for the sake of Hansard—and I don't know if Mr. Prue or Mr. Arnott or I have persuaded our colleagues opposite to stand down clause-by-clause until we hear from the Auditor General. I'm not going to prejudge the vote, I guess, but I'm not optimistic. Is the Auditor General's letter now part of the Hansard record, or how could we proceed on that so people know what we're talking about?

The Chair (Mr. Pat Hoy): Every member of the committee has received a copy of the auditor's letter, and it will be exhibited with the minutes of the hearings.

Mr. Tim Hudak: What I may do—I'm not going to read in the whole letter; that will take some time. There are just sections that I think should be part of the Hansard record as well that I think support why Mr. Prue and I have spoken in favour of the Auditor General appearing. He says in his letter:

"Our concern"—meaning the Auditor General's office—"with these two sections of Bill 35 is that they could be interpreted as setting accounting standards through legislation, as opposed to following generally accepted PSAB standards to determine how transactions are to be accounted for. This raises the obvious 'what if' question of how a transaction made under the Investing in Ontario Act, 2008, would be accounted for if, under PSAB standards, it did not qualify as an expense for the

fiscal year but, as it was made under the act, it would be required to be expensed pursuant to legislation.

"The Auditor General Act requires that I express an opinion as to whether the financial statements are presented fairly, 'in accordance with appropriate generally accepted accounting principles.' I interpret this to require that I assess whether the financial statements are prepared in accordance with the accounting principles promulgated by the CICA and, more specifically, PSAB.

"In conclusion, I believe section 4 and subsection 5(2) of Bill 35 should be deleted to avoid the potential for conflicting requirements in how a transaction is to be accounted for in the province's financial statements.

"I would be pleased to appear before the committee to discuss this and to answer any questions if the committee members feel this would be helpful in their review of Bill 35."

It's signed, "Sincerely, Jim McCarter, Auditor General."

That's a section of the letter. For brevity, I'll just read that part into the Hansard record. In the tone, probably, for an Auditor General, who is a non-partisan officer of the Legislature appointed by all three parties—I think it's very serious when he makes this mention. He has obviously made an effort to review the legislation, and I do believe it would be a very wise idea and very suitable that we hear from the Auditor General specifically why he believes section 4 and subsection 5(2) should be deleted.

The Chair (Mr. Pat Hoy): Very good. We'll accept that in support of Mr. Prue's motion. Any other comment?

Mr. Michael Prue: Recorded vote, please.

Mr. Wayne Arthurs: Is this an amendment to the subcommittee report?

The Chair (Mr. Pat Hoy): Yes, this is an amendment to the subcommittee report. Any other comment? Mr. Prue has asked for a recorded vote, by the way.

Ayes

Hudak, Prue.

Nays

Arthurs, Lalonde, Levac, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The amendment is lost.

Now on to the actual subcommittee report: comment?

Mr. Tim Hudak: It's with regret that I cannot support the subcommittee report. I know that the parties had come together to discuss it. I thought Mr. Prue had a very reasonable amendment to the subcommittee report, to hear first from the Auditor General, which I don't think would take a tremendous amount of time. So it's with that regret that I won't support moving forward in this committee without first hearing from the Auditor General.

Mr. Michael Prue: Yes, and I said this already: I did support the subcommittee, but it was my understanding

that we were precluded. When I heard today that we were not precluded from hearing the Auditor General, then it seemed to me it was the only prudent and wise thing to do. Having been on the subcommittee, I find myself in the dubious position of having to repudiate what I agreed to, but I did so, and I want it clear on the record, because my understanding was that we could not call him. When the Chair clarified today that we could, it seems to me that the subcommittee did not make the right decision, myself included.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll call the question on the subcommittee report.

Mr. Tim Hudak: Recorded vote.

Ayes

Arthurs, Lalonde, Levac, Pendergast, Sousa.

Nays

Hudak, Prue.

The Chair (Mr. Pat Hoy): The report is carried.

Mr. Tim Hudak: I have a question on debate before we proceed with clause-by-clause, through you to the clerk. If the committee then follows the subcommittee report, as it sounds like we're going to, and we get through clause-by-clause today, is there an opportunity then to still examine clause-by-clause if the Auditor General can make it at a subsequent meeting, or is this our last chance?

The Chair (Mr. Pat Hoy): The House has this time-allocated. I'll read it here:

"That the committee shall be authorized to consider the bill at its next regular meeting following the referral of the bill. The committee shall report the bill to the House not later than the first sessional day that reports from committees may be received following the completion of clause-by-clause consideration and not later than May 5, 2008. In the event that the committee fails to report the bill on that day, the bill shall be deemed to be passed by the committee and shall be deemed to be reported to and received by the House...."

Mr. Tim Hudak: So basically it means that on Monday the committee will report back to the Legislature because we're in clause-by-clause today?

The Chair (Mr. Pat Hoy): Not later than Monday.

Mr. Tim Hudak: It could even be this afternoon.

The Chair (Mr. Pat Hoy): Yes.

Mr. Tim Hudak: Thank you for clarifying that.

By following this process on the heels of a time allocation motion which ended debate in the House, also known as a guillotine motion, we have now precluded any opportunity for the Auditor General to appear before this committee to discuss clause-by-clause before the bill is referred to the Legislature?

The Chair (Mr. Pat Hoy): Correct.

Mr. Tim Hudak: I just want to express my strong regret—I think it was a very appropriate request and a

very serious request by the Auditor General—that he was not given the opportunity to comment on this legislation to the finance committee.

The Chair (Mr. Pat Hoy): The auditor's letter is a matter of record, of course, and could be discussed under any motion where it might be appropriate.

0920

INVESTING IN ONTARIO ACT, 2008

LOI DE 2008 PERMETTANT D'INVESTIR DANS L'ONTARIO

Consideration of Bill 35, An Act to authorize the Minister of Finance to make payments to eligible recipients out of money appropriated by the Legislature and to amend the Fiscal Transparency and Accountability Act, 2004, the Ministry of Treasury and Economics Act and the Treasury Board Act, 1991 / Projet de loi 35, Loi autorisant le ministre des Finances à faire des versements aux bénéficiaires admissibles sur les crédits affectés par la Législature et modifiant la Loi de 2004 sur la transparence et la responsabilité financières, la Loi sur le ministère du Trésor et de l'Économie et la Loi de 1991 sur le Conseil du Trésor.

The Chair (Mr. Pat Hoy): So with that said, we'll move to our first motion of the day in your binders. The first one is an NDP motion.

Mr. Michael Prue: I move that the definition of "eligible recipient" in subsection 1(2) of the bill be struck out and the following substituted:

"'eligible recipient' means a municipality."

The Chair (Mr. Pat Hoy): Comment?

Mr. Michael Prue: I still remember quite vividly the day when the finance minister held a news conference just down the hall and brought in a mayor, Hazel McCallion; the finance chair of the city of Toronto, Councillor Carroll; and Doug Reycraft from the Association of Municipalities of Ontario. I remember distinctly how he described this as a wonderful municipal project. This was how it was going to help municipalities. The three members who were there gushed all over, saying this was a great thing for their respective municipality, for municipalities of Ontario, for the financial woes of the city of Toronto. Hazel McCallion even commented that the 5% infrastructure extra tax that she was thinking of putting on could be reduced by 1% or 2% or 3% and that this was the vehicle to do it.

You can imagine my surprise in the House when the bill was introduced, and the first thing that caught my eye was that this was not a bill for municipalities at all. It would allow the government to deem literally any organization—save and except, I understand, hospitals and school boards—to be the recipient of the year-end windfall.

What we are trying to do by way of this motion is to ensure that the original statements made by the finance minister ring true. It is a very flawed bill, but if it is in fact for municipalities, then it should clearly state so. We are not interested in such a bill that would legalize a slush

fund, and that is in fact what will happen if it is open-ended. It can mean the government can give it to any group they want, including cricket clubs, including any agency that is not-for-profit that has the ear of the Liberal government or a subsequent government. Quite frankly, it is horrendous accounting practice.

We are simply asking that if the government says this is a municipal matter, if it is intended that municipalities get the money at the end of the year, then state so in the legislation. Don't hide behind saying that you're able to pick anybody any year you want, because nobody is going to buy this pig in a poke.

Mr. Wayne Arthurs: If I can just draw the committee's attention—they may not have it in front of them, but the budget document itself really speaks specifically to what the government will be doing, and page 111 makes very specific reference to the amounts. As an example: "greater than \$800 million but less than \$2.6 billion, then \$600 million would be used to reduce the province's accumulated financial deficit and the remaining amount would be provided to municipalities." Those words are repeated as they relate to various amounts, so it's quite clear in the budget document, let alone the press conferences and the debate that went on, where these dollars will be going. That's not to say that at some future date, a government—this government or another government—may want to have the capacity to consider other entities than municipalities that might be eligible, and municipalities might be eligible. Universities could be an example of those. It could be social service entities that as well might benefit from a situation where the government of the day finds itself in a surplus position that (1) pays down deficit, and (2) has an opportunity to share financial good fortune of the year. So the intent is to allow some level of permissiveness on a go-forward basis, but clearly in the budget, municipalities are the benefactors.

Mr. Michael Prue: I understand what the budget is. The budget is a one-year document, and in the first year it will go to municipalities. That's all you're saying and that's all the budget states, and next year it can go to anybody you want if we pass this bill. What the motion says is, if it's intended for municipalities, which are in huge need, every one of the 480 of them in Ontario, for infrastructure, for highways, for bridges, for roads, for sewers—literally every one of them is having to increase the taxation levels this year well above inflation, including every single municipality in the GTA—let's make it for municipalities. That's what the motion says. If the government wants to leave it this open-ended, I think the municipalities are the first that are going to be disappointed.

Mr. Tim Hudak: I'm supporting Mr. Prue's amendment. He's absolutely right. We have objected to Bill 35. Let me be clear: We don't believe in these end-of-year slush funds. We think that municipal infrastructure investment should be planned ahead of time and the municipalities would know how to apply to the program or know how much is coming, like the federal gas tax program, by way of example, or the resolution standing

in the name of my colleague from Renfrew-Nipissing-Pembroke, Mr. Yakabuski, whose private member's bill is today.

Nonetheless, if the government is proceeding with Bill 35, and it sounds like they are, Mr. Prue is absolutely correct: They should put their money where their mouths are, so to speak, and say in the bill if the money is going to municipalities. In fact, the Progressive Conservative caucus has put forward an identical amendment to Mr. Prue's.

Maybe I'll ask the parliamentary assistant: Will the government end-of-year funds that become available in fiscal 2007-08 go to municipalities?

Mr. Wayne Arthurs: For 2007-08, the budget speaks very specifically to the matter of municipalities.

Mr. Tim Hudak: I'll ask that to my colleague. Thank you for the answer. Will the government flow any end-of-year funds to municipalities for fiscal 2008-09?

Mr. Wayne Arthurs: I can't speak to 2008-09. I have no idea what the fiscal capacity of the province will be at that point in time.

Mr. Tim Hudak: Let's say the fiscal capacity does exist, and it gives you the ability to set whatever threshold you want for the surplus to be disbursed. Will the government flow any surplus funds to municipalities in 2008-09?

Mr. Wayne Arthurs: I can't speak specifically to what the Minister of Finance may want to do in a future budget year. The municipalities are the recipients in 2007-08. There's no indication that that's going to change. Having said that, the legislation does speak to "eligible recipient." In this budget year, it speaks very specifically to municipalities.

Mr. Tim Hudak: My colleague Mr. Prue described it accurately as a pig in a poke. I enjoy working with my colleague, I trust what he says and I'm confident that the government would flow the funds to municipalities as it says in the budget for 2007-08, but what we've heard from the parliamentary assistant is that all bets are off for subsequent fiscal years. When PC researchers looked through Hansard, we couldn't find a single Liberal member who suggested that funding would go to anything but municipalities; in fact, some of them made it look like—and as my colleague Mr. Prue said, the finance minister certainly did—it would be for municipalities exclusively. That's on a going-forward basis.

So I support strongly Mr. Prue's motion. We have the same one. We think the government should put its money where its mouth is and say to the municipalities that it's coming to them, instead of this pig in a poke in 2008 and beyond.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Michael Prue: A recorded vote, please.

Ayes

Barrett, Hudak, Prue.

Nays

Arthurs, Lalonde, Levac, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. PC motion on page 2.

Mr. Tim Hudak: I get a second shot at it, Chair?

The Chair (Mr. Pat Hoy): Actually, you'll have to wait and see.

Mr. Tim Hudak: I'll cross my fingers.

I move that the definition of "eligible recipient" in subsection 1(2) of the bill be struck out and the following substituted:

"'Eligible recipient' means a municipality."

The Chair (Mr. Pat Hoy): I will now rule that the motion is out of order.

Mr. Tim Hudak: And it's out of order, Chair, because—

The Chair (Mr. Pat Hoy): Because of the previous duplicate motion.

Mr. Tim Hudak: It's no comment on the quality of our work. I just wanted to make sure that it was because it was the same as the previous motion.

The Chair (Mr. Pat Hoy): Now we'll go to page 3 in your binders, an NDP motion.

Mr. Michael Prue: I move that subsection 2(1)—

The Chair (Mr. Pat Hoy): I'm getting ahead of myself here.

Shall section 1 carry?

Mr. Tim Hudak: Debate?

The Chair (Mr. Pat Hoy): Yes, Mr. Hudak.

0930

Mr. Tim Hudak: Not to belabour the point, but I want to make it clear that the government is asking us to trust them to spend money in future fiscal years on a huge realm of possibilities. We saw what previous Citizenship Minister Colle did with the cricket clubs and such, and we're not willing to trust the government in future fiscal years to send it to Liberal-friendly groups. So I will oppose section 1 of the legislation.

Mr. Michael Prue: I too will oppose section 1 of the legislation because the Liberal members of the committee will not allow the Auditor General to appear before us. I am afraid that with different accounting standards and with being unable to track it—I hardly see how this could possibly be described as a Fiscal Transparency and Accountability Act amendment. There is nothing clear, there is nothing fiscally accountable, and it seems to me that the whole thing is a charade.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Tim Hudak: Recorded vote.

The Chair (Mr. Pat Hoy): Shall section 1 carry?

Ayes

Arthurs, Lalonde, Levac, Pendergast, Sousa.

Nays

Barrett, Hudak, Prue.

The Chair (Mr. Pat Hoy): The section carries. Now we are on page 3, NDP motion.

Mr. Michael Prue: I move that subsection 2(1) of the bill be struck out and the following substituted:

"Authorized payments

"2(1) The Minister of Finance may, out of money appropriated therefor by the Legislature and in accordance with this act and the regulations, make payments in respect of a fiscal year beginning on or after April 1, 2007, to eligible recipients for the purposes of improving, developing, expanding, maintaining and upgrading infrastructure on such terms and conditions as the minister considers advisable."

The Chair (Mr. Pat Hoy): Comment?

Mr. Michael Prue: We had intended to change "eligible recipient," but notwithstanding that, we still would like to move this motion forward, even if the eligible recipient is a cricket club, because what it does is, they are required to improve, develop, expand, maintain or upgrade infrastructure. It can't be given for any other loosey-goosey purpose.

Mr. Wayne Arthurs: There may very well be a time at some future date when a government may see university program funding as an appropriate recipient of some year-end surplus. By constraining it to upgrading infrastructure, it would limit other opportunities at some future date.

Mr. Michael Prue: Is the parliamentary assistant stating that a university or other such organization would have something else they would do with the money other than improving, developing, expanding, maintaining or upgrading the university's infrastructure—the buildings, and others? Is that not what this money is intended to do?

Mr. Wayne Arthurs: It may be, whether it's a subsequent government or in subsequent years, that program funding for universities may be an area one would want to invest some surplus monies in, and it wouldn't necessarily be in building infrastructure.

Mr. Tim Hudak: Just to make sure I'm clear: Program funding may be an eligible recipient down the road in this government's—

Mr. Wayne Arthurs: Given the legislation, an eligible recipient, with a university as an example: At some future time, program funding could be part of that. It's not constrained to infrastructure in the form of funding, as the legislation exists.

Mr. Tim Hudak: Again, we're seeing what the finance minister initially said during his press conference with Mayor Hazel McCallion and others move farther and farther away from the reality of the bill. He had said it would be for municipalities, and he said it would be for infrastructure. We find out clearly today at committee—and I appreciate getting more direct responses from the parliamentary assistant than we get from the finance minister—that it could be anything, not just municipalities, in future years. Now we find out that it may be program spending and not infrastructure.

I do think too, as my colleague Mr. Prue said, that it's a shame that the Auditor General was not invited, that his request to speak to the committee was refused. The notion of program funding retroactively is a bizarre one.

Say hypothetically that in August or September 2009, the province would fund program spending for universities for their previous fiscal year, because the books would be closed. The fiscal year would have concluded. The notion of sending money backwards in time is probably relatively unique in legislation in the province of Ontario.

Another reason why the PC caucus has concerns is, this is wide open. It's now not only infrastructure spending but program spending retroactively, and that's no way to run the books of the province. I support Mr. Prue's motion. I think it's a wise motion. As I said, we oppose Bill 35, but if the government's going through with it, then we do want to keep the government to its word or at least the finance minister's word, and Mr. Prue's motion is a good way of doing so.

Mr. Wayne Arthurs: There's certainly nothing in my comments or in the legislation that speaks to funding initiatives retroactively. It uses surplus dollars within the fiscal year, although those dollars may not be expended by the recipient until the subsequent fiscal year. It's not retroactively paying for activity.

Mr. Tim Hudak: Just maybe, parliamentary assistant, please clarify for me, because the way I understand this in a practical basis is that the public accounts will come out and the government will learn in 2009 if it has a surplus for closing the books for the 2008-09 fiscal year. So you're in August 2009, and then you're flowing funding—in this example—for university programming, but it's for university programming in the fiscal year 2008-09, which would've ended March 31. You're sending money to universities in August for things that have happened back in March.

Mr. Wayne Arthurs: Surplus dollars in the 2007-08 budget year, as per this process we're into now, will flow to municipalities following the end of our fiscal 2007-08 year. Those dollars will be expended in what would be our fiscal 2008-09 year, but they wouldn't be funding retroactive activity. There would be nothing different if, at some future date, dollars were directed to program funding at a university, as an example, in which a given fiscal year's surplus would be flowed for the purposes of the subsequent fiscal year's program spending. It wouldn't be a retroactive expenditure.

Mr. Tim Hudak: Again, I think this speaks to the hocus-pocus of this legislation and why the Auditor General has expressed very strong concerns about the violation of accounting principles in the legislation. Effectively, what you'd be doing is taking funds from the previous fiscal year, putting them into a transfer partner's future fiscal year, and doing that in August, four months into the fiscal year. It just doesn't make sense. As I said, the Auditor General and the official opposition have very strong concerns about the violation of accounting principles. A colleague described it as a pig in a poke, or what people watching at home would just think as hocus-pocus accounting.

The Chair (Mr. Pat Hoy): Any further comment? Hearing none, I'll call the question.

Mr. Tim Hudak: Recorded.

The Chair (Mr. Pat Hoy): A recorded vote's requested.

Ayes

Hudak, Prue.

Nays

Arthurs, Lalonde, Levac, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Now to page 4, a PC motion.

Mr. Tim Hudak: I move that subsection 2(1) of the bill be amended by striking out "make payments in respect of a fiscal year beginning on or after April 1, 2007" and substituting "make payments in respect of a fiscal year beginning on or after April 1, 2007, and ending before April 1, 2009."

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: As we've heard clearly from the parliamentary assistant and from other government members during debate, this bill in its current form has no sunset date. It could go on forever. The issue of great concern that we have discovered as fact today is that the government really has no plan as to where they're going to send these funds in future fiscal years. Judging on what we saw in the run-up to the previous election with the Liberal slush fund, I think taxpayers have great concern in giving the government power to administer a new slush fund in future years.

Effectively, what this does is, it means that the ability for the government to operate this kind of slush fund would end after this fiscal year. They would flow the funds to municipalities, as they've outlined in the budget, hopefully, and then that power would be taken away. If they want to do another year, another tranche, then we'd expect them to bring another proposal before the Legislature.

0940

The Chair (Mr. Pat Hoy): I remind the member that his language usage on what the fund might be in your mind is precarious. Nonetheless, further comment?

Mr. Tim Hudak: Recorded vote.

Ayes

Hudak, Prue.

Nays

Arthurs, Lalonde, Levac, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. PC motion 5.

Mr. Tim Hudak: I'm just making sure I'm catching up with the right one.

I move that section 2 of the bill be amended by adding the following subsection:

"(1.1) Payments made under this act shall be used by eligible recipients only for the purposes of municipal infrastructure."

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: It's a no-brainer. The finance minister and pretty well every member of the Liberal caucus who spoke to the bill said that the intent of Bill 35 was to flow funds to municipal infrastructure out of a provincial surplus. Therefore, this amendment makes good on the finance minister's promise.

Mr. Wayne Arthurs: You probably won't find my comments a surprise. The government sees this as really sound public policy. It provides, certainly, in the current fiscal year, for municipal recipients. It would anticipate that eligible recipients could very well be municipalities. They may be universities or other entities. But sound public policy-making allows government the flexibility to address situations as they arise, and this accommodates that, so we're not in support of the amendment.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Tim Hudak: Recorded vote.

Ayes

Hudak, Prue.

Nays

Arthurs, Lalonde, Levac, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

NDP motion, page 6.

Mr. Michael Prue: I move that subsection 2(2) of the bill be struck out and the following substituted:

"Maximum amount

"(2) The maximum amount that may be appropriated and paid to eligible recipients under this act in respect of a fiscal year shall not exceed the amount that but for the payments made under this act in respect of the fiscal year would be the surplus for the fiscal year as provided in the province's consolidated financial statements."

The Chair (Mr. Pat Hoy): Comment?

Mr. Michael Prue: The reality here is that the B section here has been deleted. That refers to the surplus. We think that if the government is serious about wanting to spend this money, that the money should be spent as they have stated repeatedly they intend to do.

Mr. Wayne Arthurs: My understanding of the amendment would mean that all surpluses would flow to eligible recipients; there would be no dollars directed to the accumulated deficit. We feel it's a balanced approach that dollars are being directed to the accumulated deficit as a first priority, to a limit, and that after that the recipients—municipalities in the 2007-08 year, and beyond that the beneficiaries of any additional surplus—we feel there's a need to have that balance between fiscal prudence of paying down the accumulated deficit and at the same time supporting other initiatives.

Mr. Tim Hudak: Just to make sure I understand my colleague's motion: Basically any end-of-year surplus would have to be allocated to the eligible recipient, in total?

Mr. Michael Prue: That's correct.

Mr. Tim Hudak: I appreciate Mr. Prue's motion; I know he has put a lot of thought into it, and this is consistent with the position the NDP brought forward in the Legislature. I will say, the PC caucus position has been to oppose Bill 35. We view that if there is an end-of-year surplus, that should be used to reduce the debt of the province, to relieve the burden on future generations, and that would open up funds by savings on interest payments for future programs or tax reductions. I think Mr. Prue has brought forward some very strong and sensible amendments. On this one, though, he and I do not agree.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, are we ready for the question? All in favour? Opposed? The motion is lost.

NDP motion number 7.

Mr. Michael Prue: I move that section 2 of the bill be amended by adding the following subsection:

"Expected surplus amount published

"(3) No later than the end of the third quarter of each fiscal year, the Minister of Finance shall publish the amount of the expected surplus for the fiscal year."

The Chair (Mr. Pat Hoy): Comment?

Mr. Michael Prue: Yes. This amendment would ensure that by the end of the third quarter, all municipalities are made aware of the potential surplus. Municipalities would then be invited to apply for the funding, I suppose; or universities, cricket teams or anyone else could do the same.

The Auditor General, in his discussion of the slushgate fiasco of the last Parliament, wrote about the need for greater accountability and transparency when it comes to government grants. This would open the process. The government, then, in the third quarter, would say how much they anticipate, who the likely recipients are going to be, and would give a period of time for those recipients to make application. If you want to be transparent and open, this is the way to do it.

Mr. Wayne Arthurs: Governments already have a number of processes in place to report, on an ongoing basis, what they anticipate, by all best estimates and projections. There are the quarterly reports on the finances; there's the fall economic statement, out at mid-year, which is usually fairly extensively reported on; and there's the budget itself, as a gauge of what the fiscal position and the surplus will be.

Governments have to wait until such time as revenues are collected and flow through from the federal government, in many cases, to establish what their final year-end position is—and for the most part, governments are quite good at coming within a modest range of where they anticipate that position to be. There are occasions, and we've seen one or two on the positive side most recently, where the surpluses have been larger than the government has projected. But there are multiple opportunities for the government to put forward before the Legislature and to report on what they expect the fiscal surplus to be, starting with the budget itself, but certainly

beyond that on quarterly reporting and, in particular, in the fall economic statement.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Michael Prue: I want a recorded vote, please.

Ayes

Hudak, Prue.

Nays

Arthurs, Lalonde, Levac, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Page 8, NDP motion.

Mr. Michael Prue: I move that the bill be amended by adding the following section:

“Application by eligible recipient

“2.1(1) An eligible recipient may apply in accordance”—

The Chair (Mr. Pat Hoy): Mr. Prue, I’ve erred again; I’m going to have to watch this. We’ll vote on the section first before we get to your motion.

The question is: Shall section 2 carry? All in favour? Opposed? Carried.

I apologize. Now you can go ahead. I would start over, Mr. Prue.

Mr. Michael Prue: I move that the bill be amended by adding the following section:

“Application by eligible recipient

“2.1(1) An eligible recipient may apply in accordance with the regulations for a payment under this act.

“Payment by minister

“(2) The Minister of Finance shall make payments under this act to eligible recipients based on their applications and the criteria prescribed by the regulations.”

If I can, in the last Parliament, members who were here will know that the Minister of Citizenship and Immigration was forced to admit on numerous occasions that the applicants who received money in some cases had not even made an application. There was no paper trail, no one could find out what the money was for, and we didn’t know how one application was gauged versus another in terms of who got the money. This merely requests that an eligible recipient has to apply for payment, and the minister will make the payment to eligible recipients based on their applications and the criteria which the minister sets out.

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What we are afraid of, because this is not contained within the act, is that the same process and procedure will be used at the end of the year: shovel it out to anybody and everybody without any accountability, without any applications, without any paper trail.

Mr. Wayne Arthurs: I just want to draw attention back to the budget document, in which it very specifically lays out the funding formula for municipalities to ensure that all Ontarians are the beneficiaries. An application-based process, certainly in this instance, runs the

risk of a tiny township spending multiple thousands of dollars in preparing an application that may not be eligible in some fashion. The budget is very, very clear on how the money will be distributed. It’s a formula that’s laid out there, that all Ontarians would benefit from any surplus that may be available.

Mr. Tim Hudak: Mr. Prue and I, and Mr. Arnott and Mr. Barrett, have all expressed the same concern. The government’s asking us to give them the unfettered right to flow funds to whoever they want in future fiscal years. I don’t think they’ve earned that trust from taxpayers. Mr. Prue has brought forward a motion to put certain checks and balances on the government’s ability to do so, and I’ll support his motion.

Mr. Michael Prue: When the parliamentary assistant speaks, he speaks about this fiscal year. As he has stated before, next year is a new ball game. We don’t know who’s going to get the money or what the criteria are going to be.

What this merely says is, if you’re going to give it to universities, cricket clubs or anyone else, they have to make an application. That application has to be weighed against other applications. So if the University of Toronto and the University of Guelph both apply, then I think the public has the right to know, when the winner walks away with the spoils and the money, on what basis that was made. I don’t think that is untoward at any time.

If you decide to give it out to private clubs, as has been done in the past, they have to see what the money is supposed to be used for and who got it, and there has to be a reasonable, rational way of determining whether it was done fairly and correctly. That’s all this motion does. It requires he who gets or that institution which gets the money to have an application that can be vetted and looked upon by the public to determine if their money was spent wisely.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Tim Hudak: Recorded vote.

The Chair (Mr. Pat Hoy): A recorded vote is requested.

Ayes

Prue, Hudak.

Nays

Arthurs, Lalonde, Levac, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Shall section 2.1 carry?

Interjection.

The Chair (Mr. Pat Hoy): No? I see; it’s fine the way it was.

We’re on section 3, the NDP motion on page 9.

Mr. Michael Prue: I move that clause 3(1)(b) of the bill be struck out.

The Chair (Mr. Pat Hoy): The motion to strike out clause 3(1)(b) is a consequential amendment that depends

on the motion to amend section 2(1) passing, and that motion lost. So this should be withdrawn.

Mr. Michael Prue: Are you saying it's illegal or that it should be withdrawn?

The Chair (Mr. Pat Hoy): It's out of order.

Mr. Michael Prue: Okay.

Mr. Dave Levac: You can withdraw it. If you don't, he'll rule it out of order.

Mr. Michael Prue: I would prefer that you rule it out of order.

The Chair (Mr. Pat Hoy): The motion is out of order.

Page 10, PC motion.

Mr. Tim Hudak: This one is much better, Chair. I move that clause 3(1)(b) of the bill be struck out.

The Chair (Mr. Pat Hoy): The motion to strike out clause 3(1)(b) is a consequential amendment that depends on the motion to add the new section 2(1.1) passing, and it failed. I will rule this out of order as well.

Number 11, NDP motion.

Mr. Michael Prue: I move that clause 3(1)(e) of the bill be struck out.

The Chair (Mr. Pat Hoy): The motion to strike out clause 3(1)(e) is a consequential amendment that depends on the motion to amend subsection 2(2) passing. That motion lost, so this motion would be out of order.

Page 12.

Mr. Michael Prue: I move that subsection 3(1) of the bill be amended by adding the following clause:

“(f) respecting applications for the purposes of section 2.1.”

The Chair (Mr. Pat Hoy): Comment?

Mr. Michael Prue: Is this one in order?

The Chair (Mr. Pat Hoy): It, as well, is out of order.

Mr. Michael Prue: Maybe I shouldn't have asked the question. I assumed that since everyone else was out of order and since this flows from 2.1—

The Chair (Mr. Pat Hoy): Okay. Shall section 3 carry?

Mr. Tim Hudak: Recorded vote.

Ayes

Arthurs, Lalonde, Levac, Pendergast, Sousa.

Nays

Hudak, Prue.

The Chair (Mr. Pat Hoy): The section is carried.

Page 13, NDP motion.

Mr. Michael Prue: I move that section 4 of the bill be struck out.

The Chair (Mr. Pat Hoy): I would rule this motion out of order. You can vote against a section but you cannot strike out a section of a bill. So that one is out of order.

Number 14, PC motion.

Mr. Tim Hudak: Why does he always get to go first, Chair?

Mr. Michael Prue: We got ours in earlier.

Mr. Tim Hudak: You beat us to the punch? All right.

I move that section 4 of the bill be struck out.

The Chair (Mr. Pat Hoy): I rule the motion out of order, as it strikes out a section of the bill. One could vote against that section if they cared to.

Mr. Tim Hudak: We will.

The Chair (Mr. Pat Hoy): NDP motion on page 15.

Mr. Michael Prue: I move that section 14.1 of the Fiscal Transparency and Accountability Act, 2004, as set out in section 4 of the bill, be amended by striking out “for that fiscal year for the purposes of this act” and substituting “for the fiscal year or years in which the eligible recipient is reasonably expected to incur the expense.”

The Chair (Mr. Pat Hoy): Comment, if any?

Mr. Michael Prue: This proposed amendment, we think, should be interpreted as legislating accounting standards that are in some ways different from the generally accepted Public Sector Accounting Board standards. The Auditor General believed that sections 4 and 5(2) of the bill should be deleted, which the Chair says could not be done, to avoid the potential for conflicting requirements on how a transaction is to be accounted for in the province's financial statements.

This is an attempt, since the previous motion was not successful, to substitute the fiscal year or years in which the eligible recipient is reasonably expected to incur their expense, to allow the Auditor General to do his job.

Mr. Wayne Arthurs: Just briefly, the legislation would allow for, approve, surpluses identified in a fiscal year to be used for the purposes of eligible municipalities in the current year. This would effectively undo what that intent is.

We need to comment on how we came to this. The proposed accounting treatment of the act is really the same as that followed by the government of Canada for investments of unanticipated year-end surpluses under Bill C-48. That bill received a clean audit opinion from the Auditor General of Canada. We followed the same accounting treatment. Federally, it has received a clean audit opinion from the federal Auditor General.

Mr. Tim Hudak: Correct me if I'm wrong, but Bill C-48 is a bit of a different creature than Bill 35. Bill C-48 had in the legislation specifically where funds would flow. It was time-limited to, I think, only one fiscal year, perhaps two at the most, but it was very time-limited. So I don't think that is a fair comparison. Also, it's a moot point, because Bill C-48 is dead. It's expired. It's a non-bill. It's an ex-bill. It was time-allocated, it's done, so I don't think that's a relevant comparison. Most importantly, if he's playing a trump card, he thinks, with the federal auditor, all the more reason to hear from the Ontario Auditor General to rebut that point.

1000

Mr. Wayne Arthurs: My comment wasn't that the legislation mirrors C-48; my comment was that the

accounting treatment is based on the C-48 legislation, and that dealt with a similar strategy of year-end surpluses being able to be used for a variety of purposes, but that it received a clean audit from the federal Auditor General. The accounting treatment is the same.

Mr. Tim Hudak: I just think that's a specious argument. I think a good referee on the debate between Mr. Arthurs and myself would be the Ontario Auditor General, and it's a shame that the Liberal members have voted down his request to appear before the committee.

Mr. Michael Prue: I should have said this earlier, but this amendment would get to the problem of ensuring that the transfer payments are accounted for in the fiscal years that the capital expense is incurred by the municipal or whomever, not when the funding goes out the door. This is in order, again, for the Auditor General to do his job correctly.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll call the question.

Mr. Michael Prue: Recorded vote.

Ayes

Hudak, Prue.

Nays

Arthurs, Lalonde, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.
PC motion, page 16.

Mr. Tim Hudak: I move that section 14.1 of the Fiscal Transparency and Accountability Act, 2004, as set out in section 4 of the bill, be amended by striking out "for that fiscal year" and substituting "for the fiscal years beginning April 1, 2007 and ending March 31, 2009."

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: Again, we've been asked by the government to trust them for future fiscal years. They've stated in the budget what their intention is for this year. If they want to renew the Legislature's approval, they should bring forward a subsequent proposal in the next fiscal year, and we can debate the merits of that proposal at the time. This effectively sunsets Bill 35.

The Chair (Mr. Pat Hoy): Further comment? Hearing none—

Mr. Tim Hudak: Recorded vote.

Ayes

Hudak, Prue.

Nays

Arthurs, Lalonde, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.
Shall section 4 carry?

Mr. Tim Hudak: No. Debate?

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: I think it's very important, as we consider section 4, to revisit the Auditor General's letter, because it's section 4 as well as subsection 5(2) that he has the greatest concern about. Again, in the interest of time, I won't read the entire letter into the record, but I do want to point out paragraph 2, in which the Auditor General, in his letter addressed to the Chair and shared with members of the committee, states:

"Section 4 of Bill 35 amends the FTAA"—which is the Fiscal Transparency and Accountability Act—"by specifying that government expenditures incurred under the Investing in Ontario Act, 2008, 'shall be considered to be an expense of the government of Ontario for that fiscal year.'" Subsection 5(2) of Bill 35 amends the MTEA—the Ministry of Treasury and Economics Act—"by further specifying that these amounts 'shall be recorded as an expense of the government of Ontario for that fiscal year in the summary financial statements as set out in the public accounts.'"

"The province's summary financial statements state that they 'are prepared in accordance with the accounting principles for governments recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).' We support PSAB standards, as have successive Ontario governments, as demonstrated by the fact the province's statements have been prepared in accordance with them since 1993-94. We believe that adherence to standards established by the CICA, the accounting profession's independent standard-setting body, provide both governments and auditors respectively with an objective and appropriate basis for the preparation and audit of the financial statements and encourage comparability in financial reporting between jurisdictions."

I already read the fourth paragraph into the record. I do want to state again how the Auditor General, Mr. McCarter, concludes:

"In conclusion, I believe section 4 and subsection 5(2) of Bill 35 should be deleted to avoid the potential for conflicting requirements in how a transaction is to be accounted for in the province's financial statements."

I strongly recommend to my colleagues that we take the Auditor General's advice as an independent officer of the Legislature and vote down section 4 of the bill.

Mr. Michael Prue: I am in complete agreement with what my colleague from the official opposition had to say here. The Auditor General is required by law to ensure that the financial accounting of the government is done correctly. He cannot and should not attempt to do anything else. By virtue of section 4 of this bill, he will be put in an unenviable—and, I think, untenable—position of having to use alternative accounting standards. He has made a very simple request: that this section be deleted. The rest of the bill, if deleted or if voted down, would still allow the government to shovel money out the door, but they would have to shovel the money out the door and be accountable to ordinary auditing standards. The members seem bound and determined to be able to

do this, but I am just as bound and determined that the auditor be able to pick this up, that the auditor be able to report to the Legislature, as he is required to do, and that he use the standards which the Legislature, and virtually any accounting organization, would do.

I am asking that the government members, quite frankly, vote down this particular section. Without this section, the bill will still survive, but the Auditor General will be able to report on it in a timely and correct way.

The Chair (Mr. Pat Hoy): Thank you. Further comment? Hearing none—

Mr. Tim Hudak: Chair, I did expect the parliamentary assistant to respond to the points brought forward by the finance critics. Maybe the parliamentary assistant could explain, given the Auditor General's letter, why the government still supports section 4.

The Chair (Mr. Pat Hoy): It's the parliamentary assistant's prerogative to answer, if he cares to.

Mr. Wayne Arthurs: I've already commented in respect to our view of the legislation and in respect to having used other legislation as a guide. We're quite satisfied that, as time progresses, we will as well have a clean audit in respect to this legislation, if it's approved.

The Chair (Mr. Pat Hoy): Thank you. Further comment?

Mr. Tim Hudak: A recorded vote, Chair.

Ayes

Arthurs, Lalonde, Pendergast, Sousa.

Nays

Hudak, Prue.

The Chair (Mr. Pat Hoy): The section carries. Section 5, page 17: an NDP motion.

Mr. Michael Prue: I move that subsection 5(2) of the bill be struck out.

The Chair (Mr. Pat Hoy): Comment?

Mr. Michael Prue: It is in order, I trust?

The Chair (Mr. Pat Hoy): Yes, because it's a subsection. You're not removing the whole section.

Mr. Michael Prue: All right. I am doing this, quite frankly, because the Auditor General has requested it be done, so that ordinary accounting practices can take place. I fully expect the government members to vote this down as well, but any public servant, including all of us in the Legislature, has the obligation, in my view, to allow the Auditor General to do his job in the most professional way that he can. At this time, I am asking that subsection 5(2) of the bill be struck out in order to allow Mr. McCarter the opportunity of doing his job in accordance with the other acts by which he is bound.

Mr. Tim Hudak: I strongly support the motion by Mr. Prue. We have an identical motion on behalf of the PC caucus. I've already read into the record the Auditor General's letter, where he does specifically emphasize that "subsection 5(2) of Bill 35 should be deleted to

avoid the potential for conflicting requirements in how a transaction is to be accounted for in the province's financial statements." I'm afraid, as Mr. Prue said quite rightly, that the Auditor General will be forced into a very untenable situation under the accounting voodoo of Bill 35.

The Chair (Mr. Pat Hoy): Thank you. Further comment? Hearing none—

Mr. Tim Hudak: Recorded vote.

Ayes

Hudak, Prue.

Nays

Arthurs, Lalonde, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Page 18, PC motion.

Mr. Tim Hudak: I move that subsection 5(2) of the bill be struck out.

The Chair (Mr. Pat Hoy): I would rule it out of order as it is a duplicate motion, identical to the previous one.

Page 19, NDP motion.

Mr. Michael Prue: I move that section 13 of the Ministry of Treasury and Economics Act, as set out in subsection 5(2) of the bill, be amended by striking out "for that fiscal year in the summary financial statements set out in the public accounts for that fiscal year" and substituting "in the summary financial statement set out in the public accounts for the fiscal year or years in which the eligible recipient is reasonably expected to incur the expense."

By way of argument, this amendment would help to get at the problem by ensuring that the transfer payments are accounted for in the fiscal years that the capital expense is incurred by the municipality or whomever, and not when the funding gets out the door.

On a recorded vote, please.

The Chair (Mr. Pat Hoy): A recorded vote is requested.

Ayes

Hudak, Prue.

Nays

Arthurs, Lalonde, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Shall section 5 carry? All in favour?

Mr. Tim Hudak: Recorded vote.

The Chair (Mr. Pat Hoy): Recorded vote.

Ayes

Arthurs, Lalonde, Pendergast, Sousa.

Nays

Hudak, Prue.

The Chair (Mr. Pat Hoy): The section carries.

Shall section 6 carry? All in favour? Opposed? Carried.

Shall section 7 carry? All in favour? Opposed? Carried.

Section 8.

Mr. Michael Prue: I move that section 8 be struck out and the following substituted:

“8. The short title of this act is the Slush Fund Protection Act, 2008.”

The Chair (Mr. Pat Hoy): I am going to rule the motion out of order, citing Marleau and Montpetit, page 656: “if ... tendered in a spirit of mockery” and “trifling.”

Mr. Tim Hudak: Chair, on your ruling, isn't this amendment actually in order? Because I thought the bill was called the slush fund protection act, 2008.

The Chair (Mr. Pat Hoy): Shall section 8 carry? All in favour? Those opposed? Carried.

Shall the title of the bill carry? All in favour? Opposed? Carried.

Shall Bill 35 carry? All in favour?

Mr. Tim Hudak: Recorded vote.

The Chair (Mr. Pat Hoy): A recorded vote is requested.

Ayes

Arthurs, Lalonde, Pendergast, Sousa.

Nays

Hudak, Prue.

The Chair (Mr. Pat Hoy): Carried.

Shall I report the bill to the House? All in favour? Opposed? Carried.

We are adjourned.

The committee adjourned at 1014.

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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 29 May 2008

Journal des débats (Hansard)

Jeudi 29 mai 2008



Standing Committee on Finance and Economic Affairs

Ontario French-language
Educational Communications
Authority Act, 2008

Comité permanent des finances et des affaires économiques

Loi de 2008 sur l'Office des
télécommunications éducatives
de langue française
de l'Ontario

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 29 May 2008

Jeudi 29 mai 2008

*The committee met at 0901 in room 151.*ONTARIO FRENCH-LANGUAGE
EDUCATIONAL COMMUNICATIONS
AUTHORITY ACT, 2008LOI DE 2008 SUR L'OFFICE DES
TÉLÉCOMMUNICATIONS ÉDUCATIVES
DE LANGUE FRANÇAISE
DE L'ONTARIO

Consideration of Bill 55, An Act to enact the Ontario French-language Educational Communications Authority Act, 2008 and make complementary amendments to the Ontario Educational Communications Authority Act / Projet de loi 55, Loi édictant la Loi de 2008 sur l'Office des télécommunications éducatives de langue française de l'Ontario et apportant des modifications complémentaires à la Loi sur l'Office de la télécommunication éducative de l'Ontario.

Le Vice-Président (M. Jean-Marc Lalonde): J'aimerais appeler l'audience à l'ordre, s'il vous plaît. I would call this hearing to order.

First of all, en premier lieu, j'aimerais vous souhaiter à tous la bienvenue à cette audience, qui est sur la Loi édictant la Loi de 2008 sur l'Office des télécommunications éducatives de langue française de l'Ontario et apportant des modifications complémentaires à la Loi sur l'Office de la télécommunication éducative de l'Ontario.

SUBCOMMITTEE REPORT

The Vice-Chair (Mr. Jean-Marc Lalonde): The first item that I have on the agenda is the subcommittee report. Mr. Arthurs, please.

Mr. Wayne Arthurs: Mr. Chairman, your subcommittee on committee business met on Wednesday, May 21, 2008, to consider the method of proceeding on Bill 55, An Act to enact the Ontario French-language Educational Communications Authority Act, 2008 and make complementary amendments to the Ontario Educational Communications Authority Act, and recommends the following:

(1) That the committee meet for the purpose of holding public hearings in Toronto on Thursday, May 29, 2008;

(2) That the clerk of the committee, with the authority of the Chair, post the information regarding the committee's business in the major English and French newspapers and post the information on the Ontario parliamentary channel and the Legislative Assembly website;

(3) That interested parties who wish to be considered to make an oral presentation on the bill should contact the clerk of the committee by Wednesday, May 28, 2008, at 5 p.m.;

(4) That the subcommittee re-examine the issue of travel if more than eight requests are received by the May 28 deadline for any one location;

(5) That the presenters be offered 10 minutes in which to make a statement and five minutes in which to answer questions;

(6) That the clerk of the committee, in consultation with the Chair, be authorized to schedule witnesses on a first-come, first-served basis;

(7) That the deadline for written submissions be Thursday, May 29, 2008, at 5 p.m.;

(8) That amendments to the bill be filed with the clerk of the committee by Tuesday, June 3, 2008, at 5 p.m.;

(9) That the committee meet on Thursday, June 5, 2008, for clause-by-clause consideration of the bill;

(10) That the research officer provide a summary of presentations by Monday, June 2, 2008, at 5 p.m.;

(11) That the clerk of the committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceedings.

Mr. Chairman, that's your subcommittee report.

The Vice-Chair (Mr. Jean-Marc Lalonde): Any comments? Est-ce qu'il y a des commentaires? Seeing none, all those in favour of the subcommittee report? Carried.

Tout d'abord, pour procéder aux présentations: I would like to say that the way we are going to proceed is, first of all, the presenters will have 10 minutes and then each party will have five minutes. We'll go around the table. If you all agree, after the first presenter, the official opposition gets five minutes; for the second presenter, the NDP, the third party, will get five minutes; and then we'll go to the third presenter, and the government side will have five minutes for question period.

Merci bien. Thank you very much.

Pour les personnes qui vont faire les présentations, on doit s'identifier pour le Journal des débats. Vous avez 10 minutes à faire votre présentation et, comme je viens de dire, il y a seulement un parti par présentation qui va avoir le droit de poser des questions. Donc, on va alterner alentour de cette table d'audience.

ASSOCIATION DES ENSEIGNANTES ET DES ENSEIGNANTS FRANCO- ONTARIENS

Le Vice-Président (M. Jean-Marc Lalonde): J'aimerais demander le premier présentateur, l'Association des enseignantes et des enseignants franco-ontariens : M. Paul Taillefer, qui est le président. Merci. Monsieur Taillefer, j'aimerais vous dire un grand merci pour nous avoir donné une copie de votre présentation; c'est très apprécié. Comme je viens de mentionner, vous avez 10 minutes.

M. Paul Taillefer: Merci. Paul Taillefer, président de l'Association des enseignantes et des enseignants franco-ontariens. Notre association est le syndicat qui représente les enseignantes et les enseignants qui travaillent dans les écoles élémentaires et secondaires de la province de l'Ontario en langue française. On compte plus de 9 000 membres et on représente aussi des travailleuses et des travailleurs dans le domaine de l'éducation ou à l'emploi d'établissements de langue française en Ontario.

Fondée en 1939, l'AEFO a toujours été profondément engagée dans le développement d'éducation franco-ontarienne et a largement contribué à l'épanouissement de la communauté francophone en Ontario et à travers le Canada.

Ça me fait plaisir d'être ici aujourd'hui pour vous parler de ce dossier important. Nous avons demandé à comparaître devant ce comité pour apporter notre appui au projet de loi 55, intitulé la Loi de 2008 sur l'Office des télécommunications éducatives de langue française de l'Ontario. Nous appuyons ce projet pour trois raisons :

(1) L'AEFO croit au principe de la gestion par les francophones, pour les francophones.

(2) Nous croyons que TFO offre un service unique et essentiel non seulement à la communauté franco-ontarienne mais aussi à l'ensemble des Ontariennes et des Ontariens.

(3) L'AEFO croit qu'une TFO autonome soit davantage en mesure de se développer selon ses besoins et rayonner partout au Canada, ainsi qu'à l'international.

Laissez-moi élaborer. L'AEFO croit profondément que, pour se développer pleinement dans le contexte minoritaire où elle évolue, la communauté franco-ontarienne doit pouvoir compter sur des institutions qui sont en mesure de répondre à ses besoins particuliers; et qui peut gérer de telles institutions mieux que la communauté francophone elle-même? Le désir de la communauté franco-ontarienne de prendre ses affaires en main et de se donner des institutions à son image s'est manifesté tout au cours de son histoire. Pensons, par exemple, à la bataille des épingles à chapeau pour défendre l'école

Guigues d'Ottawa et le droit à l'enseignement en français; aux luttes épiques pour obtenir la création d'écoles secondaires de langue française dans différentes régions de la province; aux nombreuses démarches qui ont mené à la reconnaissance par les tribunaux du droit des francophones de gérer leurs écoles; aux revendications pour la création de collèges communautaires de langue française; et à la bataille pour sauvegarder l'hôpital Montfort. Alors, comme vous voyez, au fil des ans, la communauté franco-ontarienne s'est dotée d'institutions à son image qui contribuent à l'essor et à la vitalité de cette communauté.

Aux institutions d'enseignement se sont ajoutés de nombreux organismes et centres culturels, des compagnies de théâtre, des salles de spectacle, des garderies, des réseaux d'organismes dans les domaines de la santé et des services sociaux et communautaires. Ces institutions et ces réseaux sont importants pour la communauté franco-ontarienne, mais les médias sont aussi des outils de développement essentiels pour une communauté minoritaire. Les Franco-Ontariennes et les Franco-Ontariens doivent pouvoir compter sur les journaux, la radio, la télévision et Internet pour s'informer et pour faire connaître leurs réalisations.

Depuis sa création en 1987, TFO a joué un rôle essentiel dans le développement et l'épanouissement de la communauté franco-ontarienne. Pour la communauté éducative, TFO est une mine de ressources qui appuient l'enseignement en salle de classe. Elle offre non seulement des émissions éducatives de grande qualité, mais aussi une foule de sites Web interactifs qui sont de véritables bijoux pour le corps enseignant.

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Pour appuyer davantage les enseignantes et les enseignants, TFO a aussi mis à leur disposition des agentes et des agents de services éducatifs, et leur offre des ateliers et des outils pédagogiques. Alors, les écoles bénéficient et les élèves bénéficient, mais plus que ça, la communauté ontarienne dans son ensemble bénéficie de TFO comme un outil de communication. Un grand nombre de ses émissions, telles que Panorama et Volt, sont le reflet de la réalité franco-ontarienne.

TFO fait aussi une grande place aux artistes et aux créateurs d'ici. C'est grâce à elle que nous pouvons voir au petit écran des émissions comme Francœur, Moitié-Moitié et Météo Plus, qui sont tournées dans nos communautés et qui mettent en vedette des comédiennes et des comédiens d'ici.

TFO constitue de plus en plus une vitrine pour l'Ontario sur la communauté franco-ontarienne et a le potentiel de devenir un véhicule important pour l'ensemble de la communauté francophone et francophile du Canada. Déjà, TFO diffuse au Nouveau-Brunswick et au Québec. Nous croyons que ce rayonnement pourrait être élargi à l'ensemble du Canada de façon à créer un réseau national pour la communauté francophone et briser ainsi l'isolement des communautés francophones minoritaires.

TFO est bien placée pour jouer ce rôle puisque ses artisans comprennent les défis des communautés minori-

taires et que sa programmation est conçue pour répondre à leurs besoins. Les émissions pédagogiques de TFO pourraient sûrement servir dans toutes les salles de classe où on enseigne le français au pays, qu'il s'agisse de salles de classe dans les écoles de langue française ou de salles de classe où on enseigne le français langue seconde. Alors, pour nous, l'évolution de TFO est un but souhaitable et souhaité.

Il y a huit ans, la communauté franco-ontarienne s'inquiétait pour l'avenir de TFO et pour sa capacité à bien desservir les francophones de l'Ontario. La structure organisationnelle dans laquelle elle évoluait imposait de nombreuses contraintes. Les décisions prises pour l'ensemble de TVOntario ne tenaient pas toujours compte des besoins de la chaîne française, dont la part du budget global diminuait de façon substantielle depuis plusieurs années. De plus, des rumeurs de privatisation circulaient abondamment.

Devant cette situation, six organismes franco-ontariens, dont l'AEFO, ont mis sur pied un consortium pour se pencher sur l'avenir de la chaîne éducative. En 2001, on a créé le GITE, le Groupe d'intervention pour la télévision éducative de langue française, l'organisme qui a piloté le dossier. L'AEFO a assuré la coordination de cette coalition d'organismes et a été leur porte-parole.

De 2001 à 2005, le GITE a multiplié les démarches et les interventions à la poursuite de deux objectifs : augmenter l'appui financier de TFO et modifier la structure de TVOntario pour accorder une gestion autonome à TFO. Dans ce dossier, j'aimerais reconnaître l'appui de mon député, Gilles Bisson, qui, depuis les débuts, a été un grand appuieur du GITE et de nos objectifs.

C'est à l'automne 2003 qu'on s'est réjoui quand le Parti libéral a fait de l'autonomie de TFO une de ses promesses électorales, et dans ce contexte, on ne peut pas passer sous silence l'importante contribution de Jean-Marc Lalonde, qui vraiment était le catalyseur de cette promesse, et pour ça, l'AEFO et la communauté sont tant reconnaissantes.

Nous avons applaudi le gouvernement McGuinty quand il a donné suite à cette promesse en 2006 car le projet de loi 55 va créer officiellement l'Office des télécommunications éducatives de langue française de l'Ontario, dont le mandat est de gérer TFO. Pour nous, c'est l'aboutissement de nombreuses années de travail et d'espoir. Nous sommes confiants que ce changement de gouvernance permettra à TFO de se développer pleinement et davantage, et d'atteindre son plein potentiel comme producteur et diffuseur francophone en Ontario, au Canada et sur la scène internationale.

Le déménagement de TFO dans des locaux qui lui sont propres au centre-ville de Toronto—

Le Vice-Président (M. Jean-Marc Lalonde) : Une minute.

M. Paul Taillefer : Merci—est une source de fierté pour la communauté francophone. C'est un signe que nous faisons partie intégrante du tissu social de cette province et que nous sommes là pour y rester.

Pour toutes ces raisons, l'AEFO tenait à exprimer sa satisfaction face au projet de loi 55, qui concrétise les rêves et les aspirations de la communauté franco-ontarienne. On y voit une expression tangible de l'engagement du gouvernement envers notre communauté et envers la valorisation de la francophonie en Ontario.

Nous sommes particulièrement heureux que le projet de loi ait, jusqu'ici, reçu l'assentiment des trois partis à l'Assemblée législative de l'Ontario. Cela augure bien pour l'avenir d'une télévision éducative unique qui appartient à toutes les Ontariennes et à tous les Ontariens.

Je vous remercie et je suis prêt à répondre à vos questions.

Le Vice-Président (M. Jean-Marc Lalonde) : Merci, monsieur Taillefer. Maintenant, nous allons procéder aux questions et commentaires. Pour l'opposition officielle, en premier lieu, M. Shurman.

M. Peter Shurman : Merci, monsieur Taillefer. J'ai quelques questions. La première : est-ce que vous pensez que les dépenses associées avec ce projet de loi sont raisonnables quand on considère que CBC et Radio-Canada opèrent ensemble pour tout le Canada?

M. Paul Taillefer : Je crois que ce sont des dépenses raisonnables. TFO est quand même quelque chose de différent. C'est un organisme qui reflète une communauté et les mœurs de cette communauté. Je dois vous dire qu'étant dans la région d'Ottawa, Radio-Canada ne colle pas vraiment avec les gens de notre côté de la rivière à Ottawa. Elle se penche surtout sur des dossiers de Gatineau, de Montréal, de Québec; elle reflète une réalité québécoise. Alors, notre chaîne pan-Canadienne ne prend pas en ligne de compte la communauté francophone en milieu minoritaire. TFO est un outil qui peut faire ça non seulement pour l'Ontario français, mais pour le reste du Canada, je crois.

M. Peter Shurman : Merci, monsieur.

Une autre question : comme vous le savez, le Parti conservateur a créé des institutions francophones en Ontario. Il a créé les deux systèmes scolaires en langue française, et par le même principe, nous appuyons la création d'une TFO autonome. La question pour vous est la suivante : en tant que chef d'une organisation d'enseignants, quelles sont vos attentes et souhaits pour améliorer la TFO existante qui va être autonome maintenant?

M. Paul Taillefer : Nous croyons que TFO est sur la bonne piste. La migration vers une plateforme numérique est vraiment quelque chose de spécial. Ça va permettre à faire la pleine utilisation de toutes les nouvelles technologies pour être capable de rejoindre non seulement les élèves mais la communauté francophone sur un nombre de plateformes. Alors, je pense qu'on est en train d'exploiter tous les moyens possibles pour rejoindre la communauté, et je crois qu'il faut se maintenir à la fine pointe de la nouvelle technologie pour rejoindre une communauté qui était très dispersée et qui a besoin d'un fil conducteur qui la lie d'un coin à l'autre de la province, et d'une province à l'autre.

M. Peter Shurman: Merci. En ce qui concerne ce que nous faisons ici à Queen's Park, de quelle façon TFO sert-elle les élèves en salle de classe?

M. Paul Taillefer: Pouvez-vous répéter, s'il vous plaît ?

M. Peter Shurman: De quelle façon TFO va-t-elle être utilisée dans la salle de classe?

M. Paul Taillefer: TFO est vraiment un outil précieux pour les enseignantes et les enseignants de salle de classe. La programmation peut être intégrée directement dans les cours d'étude parce qu'elle prend en compte les objectifs des programmes cadres. Non seulement ça, mais il y a aussi des outils et des guides pédagogiques, ainsi que des conseillers et conseillères, qui peuvent aider les enseignantes et les enseignants à faire l'intégration du matériel dans leur enseignement et faire en sorte que l'enseignement devienne très interactif et très intéressant.

Il y a aussi toute la question de la disponibilité. Maintenant, la programmation qui est affichée au site Web et qui peut être téléchargée—dans mon temps, tu attendais jusqu'à 2 heures du matin avec ton VCR pour « taper » une émission, puis, des fois c'était moins utile; le cadran ne marchait pas. Alors, on a fait beaucoup, beaucoup de chemin. C'est un outil qui est très utile, très disponible.

M. Peter Shurman: Merci.

Le Vice-Président (M. Jean-Marc Lalonde): Merci, monsieur Taillefer, pour votre présentation.

M. Taillefer: Merci, monsieur le Président.

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CENTRE FRANCOPHONE DE TORONTO

Le Vice-Président (M. Jean-Marc Lalonde): Nous allons maintenant demander la deuxième présentation, qui sera présentée par M. Jean-Gilles Pelletier, directeur général du Centre francophone de l'Ontario. J'aimerais vous dire aussi que nous avons la traduction simultanée à votre disposition. Si vous avez des questions en anglais ou en français puis vous ne comprenez pas la langue, nous allons certainement venir en aide avec la traduction simultanée.

Monsieur Pelletier, comme j'ai mentionné au tout début, vous avez 10 minutes pour votre présentation et ensuite nous allons passer à la période des commentaires et questions, qui va être faite par notre ami M. Gilles Bisson du troisième parti. Vous pouvez procéder. Merci.

M. Jean-Gilles Pelletier: D'accord. Merci beaucoup. Je me nomme Jean-Gilles Pelletier, et je suis directeur général du Centre francophone de Toronto et non pas de l'Ontario. Merci quand même, monsieur Lalonde. Le Centre francophone existe depuis plus de 30 ans. Notre quartier général est situé en face de TFO, au 22, rue College. Nous sommes particulièrement fiers de nos nouveaux voisins, et nous tenons de nouveau à leur souhaiter la chaleureuse bienvenue dans le quartier.

Le Centre francophone tient à appuyer le projet de loi confirmant l'indépendance de TFO, et cela pour plusieurs raisons. Le Centre francophone est un organisme par-

ticulier qui offre des services en français de qualité à toutes les personnes d'expression française de la grande région de Toronto. Notre vision confirme une volonté d'appuyer le développement et l'épanouissement de la communauté par nos interventions individuelles, nos interventions en « outreach », nos interventions en groupe, et nos initiatives communautaires.

Dans ce contexte, la programmation offerte par TFO est essentielle et la plateforme que la chaîne offre aux intervenants du CFT—du Centre francophone—est d'une valeur exceptionnelle pour rejoindre nos clients. Mais pourquoi? J'attire votre attention sur le fait que ma présentation est traduite aussi en anglais, donc si vous avez la chance d'aller un peu plus loin dans le document qui vous a été soumis, la présentation y apparaît en anglais.

Il faut comprendre que l'éducation est également un fondement des activités du Centre francophone. Nous offrons 37 programmes individualisés et de groupe, financés par 13 bailleurs de fonds différents et offerts par une grande équipe de 80 employés interdisciplinaires, sur quatre points de service dans toute la ville de Toronto, dans les écoles, les garderies et les centres communautaires.

Nous offrons des services de santé clinique, de promotion de la santé, de counselling en santé mentale, des services d'aide à l'établissement pour les nouveaux arrivants, d'aide au logement abordable, des conseils aux parents et des conseils légaux, évidemment, financés par Aide juridique. Vous comprenez donc, à ce moment-là, que pour accomplir notre mission, l'éducation des clients est vraiment cruciale, que ce soit à travers le partage d'information lors de sessions de groupe ou lors de counselling individuel. Mais clairement, vous comprenez aussi que pour affecter les comportements de la population, pour leur faire adopter des comportements qui vont favoriser leur bien-être, particulièrement pour les jeunes, il importe de pouvoir rejoindre ces jeunes sur leur terrain, et leur terrain est de plus en plus le petit écran, l'écran télévisuel, et l'Internet.

Nous avons collaboré de très nombreuses fois à un nombre important d'émissions d'actualités, d'affaires publiques, d'émissions destinées aux jeunes et aux adolescents. Ces émissions ont permis aux intervenants du Centre francophone de présenter de l'information pertinente sur des sujets reliés à la nutrition, à l'alimentation de base, à l'image corporelle, au suicide, aux difficultés reliées à l'intégration dans un nouveau pays, et à la violence en milieu scolaire.

Nous avons pu aborder—grâce, encore, à la plateforme que nous offrait TFO—des sujets parfois très délicats reliés à la santé globale de la population, mais aussi reliés à des enjeux particuliers au niveau des méthodes de prévention des infections transmises sexuellement et de la prévention du virus VIH/SIDA.

Mais il me faut parler également des principes qui guident tous les organismes francophones œuvrant en milieu minoritaire et qui confirment le statut d'institution d'excellence de TFO. En effet, pour les francophones,

nous savons que la langue est un instrument puissant de développement et de bien-être personnel et communautaire. L'offre de services en français de qualité par des agences telles TFO est fondamentale, à ce moment-là, pour desservir des populations qui risqueraient, sinon, d'être marginalisées, un point qui a été rendu très clair par l'orateur précédent, M. Taillefer.

En milieu minoritaire francophone, offrir des services en français de qualité repose sur les principes suivants : il faut une masse critique d'intervenants; il faut une équipe multidisciplinaire; il faut être bien réseauté dans la communauté; il faut une gouvernance communautaire, et il faut une gouvernance communautaire.

Je vous explique.

Il faut détenir une masse critique d'intervenants qui peuvent offrir des services en français et qui peuvent agir dans un contexte d'unités de services; donc, tout le concept d'institution indépendante—d'organisme ou d'unité de travail indépendant. Détenir un ou deux intervenants bilingues ou diviser une équipe avec des intervenants bilingues, ou anglophones ou francophones, rend la chose bien compliquée; cela n'appuie pas l'offre de services de qualité et la rétention de personnel. Ça permet, entre autres, le perfectionnement continu et l'établissement de meilleures pratiques. TFO, par son indépendance, va bénéficier maintenant de cette masse critique d'intervenants, et il faut l'enchâsser statutairement.

Ces intervenants doivent faire partie intégrante d'équipes multidisciplinaires afin de pouvoir maximiser la collaboration, l'intégration et le continuum de services pour les clients. Je réfère ici au fait que TFO offre une programmation très variée, mais qu'elle détient au sein de son équipe des intervenants qui lui permettent vraiment d'appuyer toute la programmation. À ce niveau-là, TFO a vraiment une équipe francophone maintenant polyvalente en son sein qui va lui permettre de bien développer ces programmes.

Il faut que les agences soient bien réseautées dans la communauté parce que, effectivement, dans plusieurs régions les communautés francophones n'ont pas de concentrations résidentielles; donc, l'accès aux services repose sur la connaissance qu'ont les partenaires des services offerts par les agences. À ce moment-là, c'est vraiment important d'avoir des initiatives de communication et de promotion qui ciblent les services offerts par ces agences-là. Maintenant, TFO est en mesure de faire ce genre de promotion-là de façon beaucoup plus structurée et organisée. Dans ce contexte, TFO agit à titre de plaque tectonique du développement de la communauté, non seulement par le fait qu'elle leur offre un continent télévisuel bien solide sur lequel ancrer leur développement, mais également parce que sa relocalisation au centre-ville de Toronto sur la rue College a littéralement constitué l'étincelle de ce qu'on appelle maintenant le village francophone de Toronto.

Dans un dernier temps, la gouverne est vraiment importante. La gouverne, c'est le concept d'avoir des programmes qui sont vraiment « community- and quality-driven », donc, de ne pas faire le calque d'une

programmation anglophone et de la traduire en français. C'est vraiment de faire en sorte que les services, dans un contexte de qualité totale, répondent aux besoins de la communauté qui est le cible. L'indépendance de TFO à cet égard prend donc toute son importance.

Finalement, je veux parler brièvement de la gouvernance. La gouvernance n'est pas une garantie de qualité, mais la gouvernance et une garantie de pérennité de l'offre de services en français, que ce soit dans le contexte de désignation d'agence ou d'imputabilité communautaire. Cette gouvernance assure que l'agence offrira toujours des services en français. Garantir l'autonomie de TFO en ce sens est un vote de confiance en l'avenir, faisant tourner ainsi une page historique dans le développement de la chaîne française ontarienne, de notre chaîne à tous les Ontariens et à toutes les Ontariennes.

Donc, je vous remercie énormément de réaliser cet accomplissement important.

Le Vice-Président (M. Jean-Marc Lalonde): Merci, Monsieur Pelletier. Oui, j'ai fait une erreur au tout début; j'ai dit « de l'Ontario », mais nous sommes très au courant de l'importance du rôle que vous jouez ici même à Toronto.

Je vais maintenant passer à notre ami Gilles Bisson, membre du NPD.

M. Gilles Bisson: Jean-Gilles : quel beau nom. Mon Dieu.

Trois questions. Dans votre présentation vous avez fait un commentaire, si vous êtes peut-être capable d'élaborer un peu. Vous avez dit qu'il faut détenir une masse critique d'intervenants qui peuvent offrir des services en français, et puis, vous avez continué à dire que détenir un ou deux intervenants bilingues dans une grande institution unilingue n'est pas une garantie de qualité. Vous avez continué à dire « TFO bénéficie maintenant de cette masse critique, mais il faut maintenant l'enchâsser ». Qu'est-ce que vous êtes en train de dire là? Qu'on n'a pas le personnel nécessaire?

M. Jean-Gilles Pelletier: Non. En fait, qu'on l'a maintenant, avec le développement de ce qu'on a fait dernièrement avec le déménagement de TFO et la division de TFO et TVO, et maintenant, tel que l'a mentionné M. Taillefer également, faire en sorte que TFO ait le vent dans les voiles et puisse vraiment promouvoir ses services, promouvoir sa programmation, développer sa programmation, entretenir des relations corporatives, des relations gouvernementales et des relations communautaires pour servir vraiment les besoins de la programmation. Elle peut le faire maintenant d'une façon beaucoup plus coordonnée et structurée, que ces services-là sont maintenant en français et intégrés en équipe francophone qui fonctionne dans un contexte multidisciplinaire et interdisciplinaire.

TFO a maintenant une masse critique d'intervenants francophones à sa disposition, tant au niveau de la planification, de la promotion et du développement de programmation que de la mise en œuvre. Donc, ça lui donne ce spectrum de capacités en français qui nous permet

maintenant d'avoir une rétention de personnel et une cohésion beaucoup plus efficaces au niveau de son organisation.

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M. Gilles Bisson: Dans votre estimation, le budget de TFO est-il assez important pour faire ce qu'on a à faire dans la communauté francophone avec TFO?

M. Jean-Gilles Pelletier: Je ne peux pas vous donner mon opinion spécifique sur la taille du budget de TFO comme telle. Je peux simplement vous indiquer qu'en milieu minoritaire, il y a des dépenses importantes qu'on doit assumer et qui dépassent parfois les dépenses par unité de service qu'on retrouve en offrant des services en anglais, simplement parce que les distances sont plus grandes, le nombre d'intervenants est plus limité et ils sont plus difficiles à trouver. Les dépenses liées au recrutement et à la rétention sont parfois importantes aussi. Donc, il y a certainement des variables particulières à retenir au niveau de la composition budgétaire d'un organisme francophone en Ontario. Il y a des enjeux à relever.

Je ne peux pas vous donner un commentaire spécifique sur le budget de TFO, mais je peux certainement vous dire qu'au Centre francophone, on a des enjeux par rapport à ça.

M. Gilles Bisson: Les liens que fait TFO avec les organisations ici à Toronto, y a-t-il une meilleure manière de faire ces liens? Est-ce qu'on peut collaborer un peu plus puis faire de la planification à TFO en ce qui regarde l'image des services? Y a-t-il quelque chose à faire différemment, qu'on ne fait pas là?

M. Jean-Gilles Pelletier: Le fait que TFO a décidé, de façon très délibérée, de s'implanter dans le village francophone et de créer donc le village francophone—c'est l'arrivée de TFO au centre-ville qui va vraiment créer cette nouvelle notion. Je pense que ça va faire en sorte que TFO va être non seulement plus « groundée » dans la communauté torontoise—parce qu'en fait, TFO n'est pas que la chaîne de Toronto, hein?—mais elle va certainement faire en sorte qu'on va être plus près de la programmation et du développement de la programmation de TFO. Mais il faut reconnaître aussi que TFO bénéficie d'un nombre de comités consultatifs qui lui permettent de bien développer sa programmation dans différents secteurs. Donc, elle fait déjà un travail exceptionnel à ce niveau-là et j'espère que ça va continuer toujours.

M. Gilles Bisson: Le seul commentaire—vous êtes capable de commenter si vous voulez, mais pour le restant des régions, comme le nord de l'Ontario et le sud-ouest, Ottawa, on a besoin, je pense, de faire un peu plus pour être capable de donner notre présence dans ces régions-là, pour être mieux capable de desservir la communauté à travers la province. Merci.

Le Vice-Président (M. Jean-Marc Lalonde): Merci, monsieur Jean-Gilles Pelletier, pour votre présentation grandement appréciée.

CONSEIL SCOLAIRE DE DISTRICT DU CENTRE-SUD-OUEST

Le Vice-Président (M. Jean-Marc Lalonde): Le prochain est le président du Conseil scolaire de district du Centre-Sud-Ouest, M. Ronald Marion. Pour le Journal des débats, je vous demanderais de nous donner votre nom. Vous avez 10 minutes pour faire votre présentation.

M. Ronald Marion: Merci bien. Ronald Marion. Je suis président du conseil scolaire de district du Centre-Sud-Ouest.

Je vais vous adresser peut-être d'une perspective un peu différente ce matin. Sans doute que le conseil appuie fortement l'initiative du projet de loi. Je vais vous parler, dans un sens, de la gestion en langue française en Ontario.

Depuis 1978, je suis conseiller scolaire. Initialement, à l'origine, j'ai été élu à Niagara-Sud, et à Niagara-Sud, j'étais le seul francophone parmi 19 anglophones pour siéger au conseil scolaire de Niagara-Sud. Alors, j'ai vécu comme minoritaire parmi une majorité, pour gérer une entreprise—si vous voulez, une entreprise scolaire. Après ça, en 1986, lorsqu'on a changé la loi—on a créé des sections de langue française—j'étais parmi trois francophones qui étaient élus parmi encore 20 conseillers scolaires. Alors, j'ai vécu à l'intérieur de cette majorité, et le projet de loi à cette époque nous permettait des droits exclusifs sur certaines choses en matière d'éducation, mais le budget était déterminé par la majorité. Alors, on a vécu pour quelques années, et en 1998—puis, je dois dire que, quand j'ai été élu en 1978, j'ai été élu à un jeune âge.

Alors, depuis 1998, on a nos propres conseils scolaires. J'aimerais faire le parallèle entre ce qui arrive en Ontario français et ce qui arrive en Ontario lorsqu'on donne l'autonomie et la gestion à une communauté. Je pense que c'est important de vous faire remarquer ça parce que, au tout début, notre territoire du centre-sud-ouest est de 67 000 kilomètres carrés. Alors, on va de Trenton jusqu'à Windsor, y inclus Toronto, Hamilton, Niagara, London, et on voit, au nord, jusqu'à Penetang. C'est très, très gros.

Il n'y a pas de doute que c'était un défi énorme de trouver des méthodes de gestion pour assurer que la communauté scolaire profite sur ce grand territoire.

Je peux vous dire que c'était un grand succès. On a établi 16 nouvelles écoles. On est un des seuls conseils scolaires, ou de très peu de conseils scolaires, qui a une population d'étudiants croissante; on ne se trouve pas en décroissance. On a trouvé sans doute des méthodes innovatrices pour essayer de desservir notre population.

Je peux faire la comparaison, vous dire ce qui se passait lorsqu'on siégeait à l'intérieur de la majorité. Lorsqu'on obtient la gestion et que c'est une gestion qui appartient à une communauté, il y a une certaine fierté, je pense, qui se développe. On a un élan et une énergie importants qui se développent parmi la communauté. La communauté, je crois, reconnaît le besoin d'agir et d'agir rapidement.

Lorsqu'on se trouve à l'intérieur d'une majorité et on est minoritaire, des fois il faut s'expliquer quand on veut faire pousser certains dossiers parce qu'on doit sensibiliser la majorité aux vœux et aux désirs et aux besoins de la minorité. Dans le cas où on a notre propre gestion, c'est peut-être un élément qui n'est pas nécessaire. Alors, ce qui arrive c'est que, premièrement, on peut agir de façon rapide, comme notre conseil scolaire a pu le faire : établir 16 écoles dans 16 ans, ou dans 10 ans, c'est-à-dire, de gestion, d'agir rapidement, de voir le nombre d'étudiants monter si vite. C'est aussi une reconnaissance du fait que le conseil scolaire reconnaissait qu'on avait beaucoup de travail à faire dans le centre-sud-ouest.

Vous êtes sans doute conscients que le taux d'assimilation en Ontario est inquiétant—c'est inquiétant au ministère de l'Éducation, c'est inquiétant à la communauté de langue française—et que tous les efforts qu'on déploie pour tenter de contrer l'assimilation sont importants. Le problème d'assimilation est dans le centre-sud-ouest; c'est sans doute dans cette région qu'on a les plus gros problèmes. Alors, il faut agir rapidement, et puis le fait qu'on donne l'autonomie à TFO, je crois, est quelque chose qui vient appuyer les conseils scolaires dans leurs démarches.

Je peux dire aussi que, lorsque j'ai vécu à l'intérieur de la majorité, des fois—il y a une expression en français qui dit, « On met de l'eau dans notre vin ». C'est essayer de rendre acceptable certaines initiatives qu'on veut apporter, parce qu'on sait que c'est difficile des fois d'approcher un conseil scolaire et dire, « On va établir 16 nouvelles écoles de langue française ». Je peux vous assurer que ça ne serait jamais réalisé si on n'avait pas donné la gestion scolaire en Ontario. Alors, je crois que l'initiative pour TFO, si on peut faire le parallèle, va permettre l'épanouissement. L'Ontario va aider et appuyer les conseils scolaires pour aussi contrer l'assimilation.

Lorsqu'on parle de gestion, c'est important que le gestionnaire soit très conscient de la communauté qu'il dessert, et puis dans ce cas-ci, lorsque TFO devient autonome, elle va avoir la chance de rapprocher très bien—le conseil d'administration va très bien connaître sa communauté. Alors, certaines des choses que je peux vous dire directement, qui vont sans doute assurer ou aider la communauté de langue française, c'est que, ayant la gestion, TFO va être capable, sans doute—va proposer et avoir l'occasion d'avoir des concepts d'émissions qui vont faire ce nouveau développement dans la francophonie de l'Ontario. Elle va appuyer encore mieux, sans doute, le personnel enseignant des conseils scolaires de langue française en province en présentant des émissions éducatives de grande qualité en lien avec leur curriculum, appuyer le personnel enseignant avec une importante banque d'émissions éducatives disponible en tout temps, et appuyer l'apprentissage des élèves de tous les conseils scolaires en Ontario.

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Je peux vous parler de l'expérience aussi d'un projet, SOS Devoirs. C'est un projet qui était développé par

notre conseil scolaire en partenariat avec TFO, parce qu'en Ontario, il n'y a pas de doute qu'on a des familles qui ont deux parents, par exemple, qui sont francophones—parfois, c'est un anglophone et un francophone—et les élèves ont des difficultés avec les devoirs. C'est un projet où on permet à l'élève de communiquer directement avec un professeur pour se faire expliquer ses devoirs ou pour être capable de comprendre l'apprentissage qui devait se faire en salle de classe.

Alors, je ne sais pas si vous avez des questions. J'aimerais encore vous remercier de l'initiative que prend le gouvernement et je serais très heureux de répondre à vos questions.

The Chair (Mr. Pat Hoy): Merci. This round of questioning goes to the government. Ms. Sandals.

Mrs. Liz Sandals: Yes, thank you. Bonjour, Ron. It's good to see you.

You described in your remarks the huge chunk of geography that your board covers—it's quite overwhelming, almost—and the number of new schools that you've established. I know that in my hometown of Guelph, one of the new schools that you've established is the first-ever French public school there.

I happened to be talking to the principal not too long ago, and she was talking about how important TFO was to a school in that setting. Guelph has a very small Francophone community, so you're very, very definitely dealing there with huge issues around assimilation and being a very small minority. I wonder if you could talk a little bit about how TFO supports the life in a school where you're dealing with a really small francophone community and how it helps to bond that community.

M. Ronald Marion: Je peux répondre en anglais ou en français, si vous voulez.

Mrs. Liz Sandals: Whichever.

M. Ronald Marion: Okay. Alors, je pense que les deux choses que je peux mentionner, c'est qu'il faut dire qu'à la TFO déjà, il y a des émissions qui sont ciblées pour appuyer ce qui se passe dans le curriculum de l'école. Alors, on coordonne déjà, mais le point que j'apportais ce matin, c'est qu'on ne doit pas regarder ce qu'on fait aujourd'hui mais ce qu'on peut faire. Je pense que c'est ça que le conseil—le parallèle en notre conseil scolaire regardait ce qui arrivait avant 1998. On ne fait plus de progrès, depuis 1998 à 2008 n'a qu'on a fait entre 1978 et 1998, à mon opinion. C'est ça que je crois est important de dire, qu'il y a plusieurs choses qui se passent avec TFO. J'ai mentionné SOS Devoirs et des émissions qui sont ciblées pour tenter d'appuyer l'apprentissage dans les écoles.

C'est important de vous dire qu'une petite école comme à Guelph—une petite communauté de langue française—ne peut pas survivre sans qu'on puisse les inonder, d'une façon ou d'une autre, de la langue et de la culture en langue française. C'est ça que TFO va sans doute favoriser. Je pense qu'on ne peut pas se limiter à ce qu'on fait aujourd'hui et dire qu'en ayant une TFO autonome, on va développer de plus en plus le réseau médiatique qui peut aller rejoindre ces communautés.

Mrs. Liz Sandals: And I think I sense a lot of excitement, then, around the possibility, so that you can go forward and strengthen that service for our francophone children.

M. Ronald Marion: Sans doute.

Mrs. Liz Sandals: Thank you very much for appearing this morning, Ron. We really appreciate it.

The Chair (Mr. Pat Hoy): And thank you.

CONSEIL ONTARIEN DES DIRECTRICES ET DES DIRECTEURS DE L'ÉDUCATION DE LANGUE FRANÇAISE

The Chair (Mr. Pat Hoy): I call on our next presenter, Bernard Lavallée, to come forward, please. Good morning, sir. You have 10 minutes for your presentation. There may be up to five minutes of questioning after that. If you could please identify yourself for the purposes of our recording Hansard, and you can begin.

M. Bernard Lavallée: Bonjour et merci. Je me nomme Bernard Lavallée. Je suis le vice-président du CODELF, le Conseil ontarien des directrices et des directeurs de l'éducation de langue française, qui est un conseil qui regroupe les huit directions de l'éducation, les huit conseils scolaires catholiques, et les quatre directions de l'éducation des conseils publics.

Évidemment, le projet de loi visant à transformer TFO en télévision éducative de langue française indépendante est attendu depuis longtemps. En effet, depuis des années, les conseils scolaires de langue française de l'Ontario rêvent d'avoir accès à une télévision éducative qui préside à sa destinée, une télévision gérée par des francophones, pour les francophones, qui a la liberté de produire des émissions éducatives qu'elle juge nécessaires, et ça conformément, évidemment, avec le curriculum.

Nous sommes très heureux, à titre du CODELF, d'appuyer le projet de loi 55, et on vous remercie à ce niveau.

Depuis sa création, TFO produit et diffuse des émissions de télévision éducatives à l'intention des élèves et du personnel enseignant des 12 conseils scolaires de langue française de l'Ontario. En tant que télévision éducative indépendante, TFO pourra davantage appuyer le personnel enseignant dans son enseignement et poursuivre sa contribution à l'apprentissage des élèves des écoles des 12 conseils scolaires de langue française de l'Ontario. Grâce à la qualité exceptionnelle de ses productions, dont les contenus sont adaptés à la réalité francophone de l'Ontario, TFO pourra davantage contribuer à promouvoir l'identité culturelle chez les jeunes francophones de l'Ontario.

TFO possède une importante banque d'émissions éducatives, accessibles en tout temps à toutes les écoles de langue française. Cette chaîne télévisuelle devient donc un joueur important dans le domaine des ressources médiatiques pour la salle de classe. Une télévision éducative indépendante sera une garantie pour le CODELF en ce sens, que ce dernier pourra continuer à compter sur un appui très précieux pour l'éducation de langue française.

Le CODELF désire également souligner la qualité des sites Web de TFO; ces derniers sont éducatifs et dynamiques et s'adressent aux jeunes de tout âge. Nous croyons qu'avec son indépendance, TFO sera en mesure de produire davantage de sites Web et que ces sites pourront mieux répondre aux exigences des programmes d'enseignement en langue française.

En tant qu'organisme indépendant, TFO aura le choix de conclure des partenariats des plus importants pour la francophonie ontarienne et même canadienne-française. Il pourra s'engager plus étroitement dans la vie communautaire de langue française en prêtant son soutien à de nombreuses initiatives éducatives et culturelles partout en Ontario. En devenant une télévision indépendante, TFO contrôlera non seulement son budget, mais aussi sa destinée et ses choix pour mieux desservir la communauté francophone en milieu minoritaire.

Je remercie le gouvernement pour cette excellente initiative, et nous sommes confiants que ce projet permettra de poursuivre le développement de la communauté de langue française en Ontario.

Merci pour cette opportunité ce matin. Je suis prêt à répondre à vos questions.

The Chair (Mr. Pat Hoy): Thank you, and this round of questioning goes to the official opposition. Mr. Shurman.

M. Peter Shurman: Merci, monsieur Lavallée.

Il y a des coûts associés avec ce projet de loi, parce que nous allons dépenser des millions pour une infrastructure séparée, et administrative et technique. Est-ce que vous pensez vraiment que l'indépendance de TFO et les coûts associés avec ça sont justifiés pour gagner les résultats anticipés au niveau éducatif?

M. Bernard Lavallée: Ma réponse très rapide : oui.

M. Peter Shurman: Oui.

M. Bernard Lavallée: Définitivement. Je crois qu'au niveau des conseils de langue française en Ontario, évidemment, on a eu la pleine gestion en 1998 et puis cela a occasionné des coûts supplémentaires, mais si on regarde 10 ans plus tard et si on regarde les résultats, soit aux enquêtes provinciales de l'OQRE, au niveau des résultats des élèves, et on compare les résultats des écoles de langue française, on note que les résultats sont exceptionnels et on obtient d'excellents résultats.

Évidemment, la pleine gestion, je crois, a aidé beaucoup à assurer une qualité d'éducation à nos élèves et nous sommes confiants que TFO pourra appuyer aussi cette chose-là. Définitivement, oui.

M. Peter Shurman: OK. Est-ce que c'est important d'avoir une TFO qui peut projeter une image positive de l'Ontario à l'extérieur de nos frontières, ou est-ce que TFO devrait être premièrement pour les étudiants dans les salles de classe dans notre province?

M. Bernard Lavallée: Je crois que la priorité numéro un de TFO, c'est de la tailler à des gens de langue française de l'Ontario. Je crois qu'on a à desservir notre communauté et s'assurer du plein épanouissement de notre communauté. Mais en soi, avec la technologie d'aujourd'hui, beaucoup d'initiatives peuvent permettre à

d'autres communautés à puiser dans ces ressources. Je pense qu'on devrait permettre cet accès-là aux autres provinces afin d'aider aussi les francophones qui vivent en milieu minoritaire dans les autres provinces et territoires, leur donner aussi la possibilité d'avoir accès à ces ressources-là. Je dirais que la principale responsabilité devrait être de répondre aux besoins des francophones de l'Ontario, mais ça n'empêche pas de faire du « outreach » avec les autres provinces.

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M. Peter Shurman: Donnez-moi, s'il vous plaît, une idée de l'importance d'un reportage de Queen's Park au niveau de salle de classe.

M. Bernard Lavallée: Au palier secondaire on a plusieurs cours qui traitent au niveau d'éléments politiques ou de connaissances du système parlementaire en Ontario. Évidemment, TFO joue un rôle important avec Queen's Park, parce qu'il y a des émissions—par exemple, Panorama, qui joue à 19 h à tous les soirs—et on voit aussi plusieurs gens au niveau de tribune politique, mais je pense que c'est important et je pense que c'est un outil qui permet de conscientiser et de voir la réalité. Ça permet aux gens qui ne sont pas à Toronto de voir un peu ce qui se passe au gouvernement, à l'Assemblée législative. Je pense que TFO permet de jouer un rôle éducatif pour être capable de sensibiliser les gens d'aujourd'hui, qui seront nos futurs politiciens, de pouvoir connaître et de peut-être vivre un peu ces éléments-là qui s'éveillent à tous les jours ici à Toronto.

M. Peter Shurman: Merci, monsieur.

The Chair (Mr. Pat Hoy): Thank you for the presentation.

M. Bernard Lavallée: Merci beaucoup. Bonne journée.

The Chair (Mr. Pat Hoy): For the committee, it's my understanding that the next presenter has not arrived, so we will recess until they get here.

Mrs. Liz Sandals: Yes, they are right here.

Mr. Peter Shurman: Just this minute.

ASSOCIATION DES CONSEILS SCOLAIRES DES ÉCOLES PUBLIQUES DE L'ONTARIO

M. Ronald Marion: Merci, monsieur le Président. Ronald Marion. Je suis président de l'ACÉPO.

Alors, est-ce que vous voulez prendre une pause, ou est-ce que vous voulez qu'on—

M. Gilles Bisson: Non, continuez.

M. Ronald Marion: Oui, ça va?

The Chair (Mr. Pat Hoy): Go ahead. I'm sorry; I was trying to get my microphone put back on because I wasn't hearing any translation, but you can go ahead. Just identify yourself, please, and then go forward.

M. Ronald Marion: Merci. Alors, je suis Ronald Marion. Je suis président de l'Association des conseils scolaires des écoles publiques de l'Ontario, et à ma droite est Louise Pinet, qui est à la direction générale de cette même association.

Monsieur le Président, mesdames, messieurs, c'est avec fierté et, osons le dire, soulagement que l'Association des conseils scolaires des écoles publiques de l'Ontario, l'ACÉPO, vient redire son appui à la création de la chaîne TFO, une télévision qui sera par et pour les francophones en milieu minoritaire.

Je me permets de rappeler un peu l'histoire récente des revendications pour l'obtention d'une TFO autonome. En mars 2001, à la suite de plusieurs revendications pour minimiser les impacts de réductions aux services et aux budgets de TFO, l'ACÉPO participait au colloque sur l'avenir de TFO. Ce colloque de deux jours réunissait des personnes de par le pays pour discuter des enjeux et chercher des solutions. C'est à la suite de ce colloque que l'ACÉPO est devenue un des organismes fondateurs du GITE, le Groupe d'intervention pour la télévision éducative de langue française.

Le GITE et l'ACÉPO reconnaissent que TFO était à l'honneur pour sa programmation desservant les francophones vivant en milieu minoritaire. L'ACÉPO reconnaissait en TFO un outil pédagogique à l'appui de nos écoles de langue française.

Le GITE et l'ACÉPO reconnaissent aussi les graves problèmes causés par les nombreuses remises en question du mandat de TFO, par l'absence d'une gouvernance propre aux francophones, et par un modèle de gestion difficile.

C'est pourquoi l'ACÉPO accueille à bras ouverts le projet de loi 55, qui vient enfin créer une TFO autonome et entrepreneuriale, une TFO à l'appui d'un développement durable des communautés.

Dans la création de l'entité autonome TFO, l'ACÉPO souligne l'importance cruciale d'avoir une TFO autonome sur le plan financier et sur celui de la gouvernance et de la gestion.

TFO doit donc contrôler son destin en prenant des décisions d'ordre financier et de programmation en harmonie avec les réalités des communautés francophones en milieu minoritaire, proposer des modèles et des concepts d'émissions qui vont façonner le développement des communautés francophones de l'Ontario, et planifier sa propre stratégie de développement en fonction des besoins de ses communautés.

Pour que TFO soit vraiment à l'écoute de ses communautés, la composition du conseil d'administration doit assurer une représentation de ses clients. L'ACÉPO note qu'aucune indication n'est incluse dans le projet de loi 55 sur la composition même du conseil d'administration.

On vous demanderait de vous assurer que la composition du conseil d'administration soit juste et représentative. Puisqu'il s'agit d'une télévision éducative, le conseil d'administration doit avoir parmi ses membres une personne du système d'éducation publique de langue française pour que l'on se retrouve dans le conseil d'administration.

L'ACÉPO appuie la mission de TFO. TFO doit être à l'écoute des communautés francophones quant à leurs besoins en programmation et en développement. Pour les

conseils scolaires membres de l'ACÉPO, TFO offrira des services éducatifs pour le personnel, les parents et les élèves.

En sa qualité de télévision éducative, la mission de TFO sera, en majeure partie, la production, la co-production ou l'obtention et la diffusion d'outils pour le système d'éducation de langue française en Ontario, et d'outils au service de la culture et de l'éducation populaire en milieu minoritaire.

Avant de conclure, il faut bien dire qu'il y a encore des communautés qui n'ont pas accès à TFO. Nous espérons que la modernisation de TFO permettra bientôt à toutes les personnes de l'Ontario qui le désirent de recevoir TFO.

L'ACÉPO félicite le gouvernement de proposer une TFO autonome pour les francophones en milieu minoritaire.

Merci.

The Chair (Mr. Pat Hoy): Merci. The questioning will go to the NDP and Mr. Bisson.

M. Gilles Bisson: Merci. C'est Louise? Louise et, excusez-moi—

M^{me} Louise Pinet: Ronald.

M. Gilles Bisson: Ronald. J'allais dire quelque chose d'autre. Je ne sais pas pourquoi.

M^{me} Louise Pinet: Ce n'est pas Jean-Gilles.

M. Gilles Bisson: Ce n'est pas Jean-Gilles, non. Pas pire.

Une couple de questions. Un point que vous avez fait, c'est sur la composition du conseil lui-même. Dans votre estimation, est-ce qu'on fait ce qu'il y a à faire pour s'assurer que le conseil présent représente bien la communauté ontarienne, que tout le monde a leur place sur le conseil d'administration?

M. Ronald Marion: Dans le projet de loi?

M^{me} Louise Pinet: Actuellement. Au conseil d'administration maintenant.

Dans le projet de loi, on ne le mentionne pas. Dans la réalité, le conseil d'administration, en ce moment, a une représentation du système d'éducation catholique, mais il n'y a personne du tout qui a un lien avec le système d'éducation publique de langue française.

M. Gilles Bisson: Est-ce que cela a besoin d'être dans le projet de loi? Est-ce qu'on doit faire un amendement?

M^{me} Louise Pinet: Je ne sais pas si cela a besoin d'être dans le projet de loi ou dans les règlements qui s'ensuivent. Je pense que la composition peut être là, tout comme on doit s'assurer d'une répartition régionale, que l'on puisse avoir aussi la communauté industrielle, le marché. Il faut y avoir une diversité, mais il faut certainement s'assurer que les deux systèmes d'éducation, et probablement même le niveau collégiale, fassent partie du conseil d'administration.

Ce n'est pas question d'arriver là avec le mandat de représenter les intérêts directs, mais la question pour le conseil d'administration, c'est qu'il faut qu'il y ait une représentation de l'ensemble. Comme ce sont les joueurs clés, ces gens-là devraient être à la table du conseil

d'administration, et en ce moment je pense qu'il n'y a rien qui le précise.

M. Gilles Bisson: Dans votre estimation, est-ce que TFO, présentement, a le budget pour de s'assurer qu'ils peuvent amener leurs émissions directement à tous les coins de la province? C'est la première partie de la question. Deuxièmement, est-ce qu'on a le budget nécessaire pour représenter ce qui se passe dans ces communautés-là? Parce qu'on a dit plus tôt que le centre-sud-ouest, c'est là qu'on a vraiment besoin de mettre une emphase. Est-ce qu'on a la capacité présentement à TFO, avec le budget, de vraiment faire ce qu'il y a à faire au sud-ouest?

M. Ronald Marion: On peut seulement parler d'expérience. Je ne pense pas que ce soit lié ou qu'on puisse faire un lien direct avec le budget, mais je pense que la réponse est « non » pour le moment, mais à l'avenir, on espère.

M. Gilles Bisson: Est-ce que c'est bon de dire que le vouloir est là avec TFO et que c'est une question de capacité? C'est ça le problème?

M. Ronald Marion: Il n'y a pas de doute que le vouloir est là.

M. Gilles Bisson: Oui. C'est le point que je veux faire. On ne se bat pas avec TFO; c'est une question d'avoir les besoins.

Peut-être, pour le comité, parce que M. Shurman l'a dit avant: qu'est-ce que ça veut dire, quand on est francophone, d'un ensemble minoritaire, à TFO où tout se passe—l'administration est en anglais, la production est en anglais, vos cameramans sont anglais—l'importance d'avoir notre propre gestion et notre propre organisation? Moi, je crois très bien qu'à la fin de la journée, on est perdu dans cette enveloppe bilingue; on a besoin d'avoir nos institutions francophones. Pourriez-vous parler un peu de ça?

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M. Ronald Marion: Je peux seulement vous dire que même en 1986, on avait passé la loi pour créer des sections de langue française à l'intérieur des majorités, et puis on avait donné certains droits à la communauté de langue française de faire des décisions dans des domaines de matières exclusives. Je peux seulement faire un commentaire que, lorsque j'ai apporté au conseil scolaire que je voulais qu'une décision soit faite par la minorité linguistique, j'ai été approché par la majorité pour dire qu'il n'y aurait pas deux conseils dans un, et puisqu'on avait le contrôle budgétaire auprès de la majorité, on ne pouvait pas vraiment exercer nos droits.

Ce n'est pas une mauvaise volonté. Je pense que c'est important de dire que ce n'était jamais la mauvaise volonté de la majorité. Le problème, je crois, est plutôt la difficulté de faire comprendre ce que la minorité linguistique doit accomplir. Je pense que le fait d'assimilation en Ontario, et qu'on s'attaque à l'assimilation depuis, je pense, la création des conseils scolaires, est devenu de plus en plus évident, et que si on n'avait pas créé des conseils scolaires de langue française, à mon avis, on n'aurait probablement pas réussi à faire survivre la com-

munauté de langue française, la langue et la culture de langue française en Ontario, si ce n'avait pas été de sa création.

Alors, c'est si important que ça parce que la communauté elle-même est consciente du problème et elle s'est saisie de la responsabilité aussi de faire tout le possible pour s'assurer que la langue et la culture vont s'épanouir en Ontario.

M^{me} Louise Pinet: Et je pourrais, si vous permettez, ajouter qu'il y a quelques temps, TVO a changé la priorité par rapport à l'éducation élémentaire et secondaire pour axer son action sur l'éducation permanente, alors que pour nous, les francophones, oui, on a aussi besoin d'un appui à l'éducation permanente, mais on n'a pas accès à un appui aussi diversifié pour l'élémentaire et le secondaire, et on ne pouvait pas se permettre de perdre cette priorité. Il a fallu que ça aille au-delà du conseil d'administration et du groupe de programmation pour faire une revendication extraordinaire afin de pouvoir maintenir des priorités différentes.

Souvent, c'est ça qui est difficile à faire lorsqu'on est dans un encadrement bilingue. C'est que les priorités d'un groupe ne sont pas nécessairement les priorités de l'autre, même s'il y a des éléments qui sont communs. On comprend bien que l'éducation permanente est importante chez les francophones comme chez la majorité des communautés de l'Ontario. Mais par contre, comme on a besoin davantage à l'élémentaire et au secondaire d'un appui moderne médiatisé et un appui en lien direct avec une programmation qui a été revue et qui est toujours en révision du côté du programmes d'études, alors, à ce moment-là, nous, on va être en mesure de maintenir une priorité en fonction des besoins, et en même temps bénéficier des liens très proches avec nos collègues de langue anglaise, car il est évident que même si TFO est autonome, je suis certaine que les gens de TFO et de TVO ne vont pas cesser de se parler par cause de ça.

The Chair (Mr. Pat Hoy): Merci, and thank you for your presentation.

M^{me} Louise Pinet: Merci beaucoup.

The Chair (Mr. Pat Hoy): That concludes our presentations for the morning. We are recessed until 2:30.

The committee recessed from 1006 to 1431.

Le Vice-Président (M. Jean-Marc Lalonde): Je vais demander que l'audience débute.

Tout d'abord, encore une fois, nous nous rencontrons cet après-midi pour les discussions sur le projet de loi 55, Loi édictant la Loi de 2008 sur l'Office des télécommunications éducatives de langue française de l'Ontario et apportant des modifications complémentaires à la Loi sur l'Office de la télécommunication éducative de l'Ontario.

I'd just like to remind all the members that we have instant translation. Nous avons la traduction simultanée, donc vous pouvez faire la présentation dans la langue de votre choix.

ASSOCIATION FRANCO-ONTARIENNE DES CONSEILS SCOLAIRES CATHOLIQUES

Le Vice-Président (M. Jean-Marc Lalonde): Cet après-midi nous avons avec nous l'Association franco-ontarienne des conseils scolaires catholiques, dont M^{me} Angèle Brunelle, vice-présidente, est ici, et Carole Drouin, la directrice générale.

Lorsque vous allez débiter, on va demander que vous vous identifiiez pour le Journal des débats. Vous avez 10 minutes et ensuite c'est le tour du côté du gouvernement pour les commentaires et la période des questions. Vous pouvez débiter. Est-ce qu'on a un document qui a été préparé pour les membres?

M^{me} Angèle Brunelle: Oui.

Le Vice-Président (M. Jean-Marc Lalonde): OK, on l'a. Merci. Vous pouvez débiter.

M^{me} Angèle Brunelle: Alors, bonjour. J'aimerais vous remercier d'avoir accepté notre présentation. Je suis la vice-présidente de l'Association franco-ontarienne des conseils scolaires catholiques et aussi présidente du conseil scolaire des Aurores boréales dans la région de Thunder Bay.

L'Association franco-ontarienne des conseils scolaires catholiques (AFOCSC) « agit en tant que porte-parole des conseils scolaires catholiques de langue française en Ontario. Au service de ses membres, elle défend leurs intérêts et promeut l'éducation catholique en langue française auprès de la communauté ontarienne et des gouvernements ».

En 1867, au moment de la Confédération, le droit des parents catholiques a été consacré dans la Constitution, alinéa 93 (1) à (4).

La Charte canadienne des droits et libertés a été adoptée en 1982. L'article 23 de la Charte définit les parents qui ont le droit constitutionnel d'inscrire leurs enfants à l'école catholique de langue française.

L'éducation catholique de langue française constitue un système volontaire appuyé de façon constante par la très grande majorité des parents catholiques de langue française. Les écoles catholiques de langue française, choisies par 75 % à 80 % des parents francophones en Ontario, desservent aujourd'hui 68 000 élèves aux paliers élémentaires et secondaires.

L'AFOCSC veille à assurer la gestion exclusive conférée légalement à notre communauté. Collectivement, il nous revient d'exprimer nos besoins et de témoigner l'atteinte de nos résultats aux décideurs et aux têtes dirigeantes des institutions politiques.

L'AFOCSC reconnaît l'importance de la concertation dans un milieu minoritaire francophone pour la mobilisation des ressources ou des capitaux nécessaires à son développement et à la vitalité des institutions éducatives de l'Ontario français. Elle entend renforcer davantage ses liens avec ses partenaires voués à la réussite de tous les élèves.

L'AFOCSC était présente lors de l'initiative du GITE, le Groupe d'intervention pour la télévision éducative de

langue française. En mars 2001, jugeant que TFO n'avait pas été en mesure de se développer selon son plein potentiel, une centaine de chefs de file de la communauté, de l'Ontario et des autres provinces s'étaient réunis afin de discuter de la situation dans le cadre d'un colloque organisé à La Cité collégiale d'Ottawa. Dans le plan d'action, on mandatait le comité de sensibiliser les décideurs à la nécessité d'une structure administrative autonome afin de répondre aux besoins réels de nos communautés. L'AFOCSC se réjouissait à l'annonce du financement assurant l'autonomie de TFO et de la mise sur pied de son propre conseil d'administration.

Les conseils scolaires catholiques de langue française ont réussi à décrocher la première place au palmarès du testing annuel de l'OQRE. Au cycle moyen, de la 4^e à la 6^e année, tous nos scores en lecture, écriture et mathématiques sont supérieurs à la majorité et nous avons même dépassé l'objectif provincial fixé à 75 % de réussite en maths depuis les deux dernières années. Les élèves des écoles catholiques de langue française performant exceptionnellement bien aux épreuves provinciales de l'Office de la qualité et de la responsabilité en éducation, l'OQRE, et une part de ce succès revient sans contredit au travail réalisé par TFO.

Chacun des exemples qui suivent démontre l'importance et la pertinence de TFO au niveau de la réussite scolaire de nos élèves et du développement de nos écoles catholiques de langue française.

Environ 2 000 enseignants et enseignantes par année reçoivent de l'appui direct des agentes de TFO lors d'ateliers de formation ou en consultation par téléphone ou par courriel.

Presque tous les étudiants et étudiantes inscrits aux facultés d'éducation en Ontario reçoivent une formation d'une des agentes de TFO.

TFO offre un répertoire de presque 4 000 émissions éducatives libérées de droits d'auteur pour l'utilisation en salle de classe afin d'appuyer les programmes-cadres de l'Ontario. Un grand nombre de ces émissions sont accompagnées d'un guide pédagogique rédigé par un enseignant ou une enseignante d'une des écoles de langue française en Ontario.

TFO offre aussi aux écoles un ensemble de presque 100 sites Web qui correspondent aux programmes-cadres de l'Ontario. Environ 2 000 personnes par mois visitent le site Web du répertoire des émissions destinées à la salle de classe. Ce nombre est à la hausse depuis l'accès aux émissions éducatives maintenant disponibles en ligne depuis octobre 2006.

Tous les services et produits éducatifs de TFO sont offerts sans frais aux écoles de langue française en Ontario.

TFO produit et distribue aussi des trousseaux qui développent la communication orale des petits. On peut citer la plus récente « Parle-moi en français » comme exemple. Selon les témoignages reçus, ces outils sont fort appréciés par le personnel enseignant.

Voici une citation d'une coordonatrice en littératie d'une de nos écoles : « Les activités sont pertinentes,

intéressantes et très bien décrites. Nous avons bien apprécié aussi les critères d'évaluation au bas de celles-ci. Quant au guide, quelle bonne idée d'avoir inséré une section au sujet des mouvements de la marionnette. Et nous avons bien apprécié la description des compétences langagières en classe. C'est vraiment un 'bon produit' qui nous sera fort utile, j'en suis certaine. »

TFO, étant un lieu de construction identitaire, appuie la politique d'aménagement linguistique sur plusieurs axes. Entre autres, TFO produit et distribue 10 000 trousseaux d'accueil aux parents qui inscrivent leur enfant à la maternelle dans une école de langue française.

Tous ces exemples démontrent que TFO est devenu un outil indispensable pour assurer la réussite de nos élèves. TFO offre des outils bien adaptés aux réalités vécues par notre personnel enseignant. Il s'agit pour nous, Franco-Ontariens, d'une vitrine d'apprentissage bien ancrée dans nos communautés.

L'Association franco-ontarienne des conseils scolaires catholiques souhaite que la télévision éducative continue à rayonner auprès de tous ses élèves et espère que l'autonomie dont elle jouit maintenant lui permettra de mettre à profit la technologie de pointe, notamment au niveau du traitement numérique et de la diffusion virtuelle de ses outils. Nous souhaitons également que la diffusion télévisuelle puisse rejoindre toutes nos communautés, même les plus isolées qui se retrouvent au nord de notre province.

L'Association franco-ontarienne des conseils scolaires catholiques appuie sans réserve les changements législatifs qui consacreront l'autonomie et garantiront le développement de notre télévision éducative TFO. Nous souhaitons le développement durable de cette institution essentielle au développement de nos communautés.

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À titre de conclusion, j'aimerais profiter de cette occasion pour remercier publiquement le gouvernement actuel pour tous les investissements historiques en éducation de langue française en Ontario. Les succès de nos élèves et les réalisations de nos écoles et de nos conseils sont le fruit du travail de toute une série d'intervenants qui croient et ont cru que les francophones en Ontario avaient droit à leur place au soleil. La télévision française de l'Ontario a toujours fait partie de nos partenaires dans la réalisation de notre mandat éducatif, et mérite aussi la place qui lui revient aujourd'hui.

Merci beaucoup.

Le Vice-Président (M. Jean-Marc Lalonde): Merci bien. Maintenant je vais demander le côté du gouvernement : questions, commentaires? Madame Sandals. I was going to say "Liz."

Mrs. Liz Sandals: "Madame Liz" is what he's wanting to say; I can tell.

Thank you so much, Angèle.

When we look at your member boards across the province, when you're working down the eastern border of Ontario, there are quite large francophone communities. But as you go west in Ontario, the concentration of francophones is much less dense. I wonder

if you could tell the committee a little bit about the importance of TFO in supporting education in francophone communities when you get away from the heavy concentration in eastern Ontario and into the communities where not too many francophones live.

M^{me} Angèle Brunelle: Je pense que je suis bien placée pour parler de ça parce que je viens de Thunder Bay, une région où il n'y a que 2,8 % de francophones dans notre population.

Je pense que TFO est indispensable dans nos régions encore plus qu'ailleurs, parce que souvent c'est le seul lien qu'ont les enfants, les adultes et les familles. Dans notre région, il y a beaucoup de familles exogames. Alors, le parent francophone souvent, par l'entremise de TFO, a accès à quelqu'un d'autre. Si c'est la maman qui est anglophone, TFO peut faciliter l'écoute, parce que ce n'est pas toujours facile. La minute que tu sors de l'école à Thunder Bay, c'est anglais. Alors, TFO est primordiale pour les familles. Moi, en tant que maman, je me suis servie de TFO toujours pour que mes enfants aient un contact, parce que souvent c'était la seule télévision qu'on avait. C'était indispensable pour nous autres dans le nord de l'Ontario.

Au niveau des enseignants, c'est la même chose parce que la banque de données, tout l'accès, ça donne une richesse. Parce qu'on n'a pas les bibliothèques publiques qu'ont les régions du sud et de l'est; on n'a pas accès à tout ce matériel-là. TFO fournit à notre personnel enseignant une source incroyable de ressources et de connaissances pour aider leur travail dans un milieu très, très anglicisé. Carole?

M^{me} Carole Drouin: C'est très bien.

The Vice-Chair (Mr. Jean-Marc Lalonde): Other comments? Monsieur McNeely?

M. Phil McNeely: Merci. Je vois à la page 4 que les réussites de vos écoles—on connaît bien les réussites à Orléans et que vos écoles sont en avant avec les résultats. J'aimerais vous donner le temps pour expliquer pourquoi vous êtes en avant. Vos réussites sont très connues à Orléans et ailleurs, avec vos écoles.

M^{me} Angèle Brunelle: Je pense qu'il y a beaucoup, beaucoup d'investissement au niveau du personnel pour la performance au niveau des élèves. Je crois que les résultats des écoles francophones catholiques sont reconnus et je pense que c'est vraiment la mise en œuvre de tous les programmes de littératie et de numératie, tout ce qui était donné. Je pense aussi que le fait qu'on est un plus petit système, ça nous donne une facilité de nous rallier en arrière des nouveautés, ce qui nous permet de faire avancer les dossiers plus vite. On a du personnel très engagé qui facilite le succès de nos élèves.

Peut-être, Carole, t'aurais d'autres—

M^{me} Carole Drouin: Peut-être, juste pour ajouter à ce que Angèle vient de dire, on a la chance, du côté des

écoles francophones, d'avoir un outil très puissant, la politique d'aménagement linguistique. Toute cette politique-là vient supporter la notion de construction identitaire. Je veux faire le lien avec TFO parce que dans la construction identitaire de nos élèves, ces jeunes-là doivent être capables de se voir, comme à la télévision, par exemple, comme sur le Web, les sites Internet, et être capables de faire du clavardage avec des jeunes francophones et d'autres francophones ailleurs en province. Cette vitrine-là n'est accessible pour plusieurs qu'à travers TFO.

Donc, la construction identitaire qui est appuyée par la politique d'aménagement linguistique, je crois, est une des clés du succès de nos écoles de langue française, parce que la fierté de parler la langue est transmise à l'élève, puis de toute évidence il ou elle devient très motivé à réussir d'une façon ou d'une autre. Donc, je pense qu'on a une clé du succès ici.

Il faut dire que les conseils scolaires francophones n'existent que depuis 10 ans. Nous fêtons 10 ans d'existence et de gestion autonome nous-mêmes cette année, mais on est partis de loin. Alors, on n'était pas les premiers de classes il y a 10 ans, et je pense que la formation des enseignants et les investissements qui ont été faits au niveau de l'éducation de langue française portent fruit aujourd'hui.

M. Phil McNeely: Je n'ai pas d'autres questions, mais merci beaucoup pour cela et je veux vous féliciter et féliciter les écoles de la francophonie qui sont les leaders à Orléans et ailleurs en Ontario.

Le Vice-Président (M. Jean-Marc Lalonde): Je dois dire merci à madame la directrice générale et madame la vice-présidente, et surtout d'avoir accepté de venir nous faire leur présentation cet après-midi. Comme vous pouvez le constater, vous êtes les seules cet après-midi, mais nous avons définitivement reconnu le fait de votre réunion ce matin avec l'honorable Kathleen Wynne, que je suis convaincu était une rencontre fructueuse. C'était tous les partenaires en éducation. Donc, merci encore une fois.

Maintenant, chers membres du comité, before we adjourn, I have to say that the next meeting will be next Thursday, June 5, for the clause-by-clause session.

Mr. Gilles Bisson: On a point of order, Mr. Chair: Amendments have to be in by what time?

The Clerk of the Committee (Mr. William Short): Tuesday at 5.

The Chair (Mr. Jean-Marc Lalonde): Tuesday at 5, yes.

Donc, c'est le temps de l'ajournement de cette rencontre. This meeting is adjourned.

The committee adjourned at 1449.

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Also taking part / Autres participants et participantes

Mr. Phil McNeely (Ottawa–Orléans L)

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Mr. William Short

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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 5 June 2008

Journal des débats (Hansard)

Jeudi 5 juin 2008

Standing Committee on Finance and Economic Affairs

Ontario French-language
Educational Communications
Authority Act, 2008

Comité permanent des finances et des affaires économiques

Loi de 2008 sur l'Office des
télécommunications éducatives
de langue française
de l'Ontario

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
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Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
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Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 5 June 2008

Jeudi 5 juin 2008

*The committee met at 0904 in room 151.*ONTARIO FRENCH-LANGUAGE
EDUCATIONAL COMMUNICATIONS
AUTHORITY ACT, 2008LOI DE 2008 SUR L'OFFICE DES
TÉLÉCOMMUNICATIONS ÉDUCATIVES
DE LANGUE FRANÇAISE
DE L'ONTARIO

Consideration of Bill 55, An Act to enact the Ontario French-language Educational Communications Authority Act, 2008 and make complementary amendments to the Ontario Educational Communications Authority Act /
Projet de loi 55, Loi édictant la Loi de 2008 sur l'Office des télécommunications éducatives de langue française de l'Ontario et apportant des modifications complémentaires à la Loi sur l'Office de la télécommunication éducative de l'Ontario.

The Chair (Mr. Pat Hoy): Good morning. The Standing Committee on Finance and Economic Affairs will come to order. We're here this morning for clause-by-clause consideration of Bill 55.

For the committee's information, there were no amendments sent to the clerk prior to the deadline, so we will go into clause-by-clause.

We will begin with section 1. As I said, there were no amendments. Are there any comments?

Mr. Peter Shurman: I would just like to make a comment on behalf of the Progressive Conservative Party. We will propose no amendments to this bill in the clause-by-clause, so you can proceed as you proceed. But we'll have no comment at all.

M^{me} France Gélinas: Je pourrais faire à peu près les mêmes commentaires que mon collègue vient de faire. Nous aussi, nous sommes très satisfaits avec ce projet de loi. On est contents que ça va aller de l'avant et nous ne proposons aucun amendement. Merci.

The Chair (Mr. Pat Hoy): All right, then.

Shall section 1 carry? All in favour? Carried.

Shall section 2 carry? All in favour? Carried.

Shall section 3 carry? All in favour? Carried.

Shall section 4 carry? All in favour? Carried.

Shall section 5 carry? All in favour? Carried.

Would the committee prefer to just call all sections from 6 to the end, inclusive, and have one vote or do you want me to call them? Is that okay—it has been done before—with your permission, just to call the sections, inclusive, and vote once? Agreed.

Shall sections 6 through 26, inclusive, carry? All in favour? Carried. Thank you very much.

Shall the title of the bill carry? All in favour? Carried.

Shall Bill 55 carry? All in favour? Carried.

Shall I report the bill to the House? All in favour? Carried.

We are adjourned.

The committee adjourned at 0907.

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2008
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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Tuesday 5 August 2008

Journal des débats (Hansard)

Mardi 5 août 2008



Standing Committee on Finance and Economic Affairs

Review of the Ontario
health premium

Comité permanent des finances et des affaires économiques

Examen de la contribution-santé
de l'Ontario

Chair: Pat Hoy
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Président : Pat Hoy
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Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



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Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 5 August 2008

Mardi 5 août 2008

The committee met at 0922 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. Our first order of business would have the subcommittee report read into the record. Mr. Arthurs.

Mr. Wayne Arthurs: Mr. Chairman, your subcommittee met on Wednesday, June 18, 2008, to consider the method of proceeding on the review of the Ontario health premium, in accordance with section 29.2 of the Income Tax Act, and recommends the following:

(1) That the committee hold public hearings in Toronto on August 5 and 6, 2008.

(2) That the committee hold public hearings in Windsor the morning of August 7, 2008, and in London the afternoon of August 7, 2008.

(3) That the committee clerk, in consultation with the Chair, post information regarding these hearings on the Ontario parliamentary channel and the Legislative Assembly's website.

(4) That the committee clerk, in consultation with the Chair, place an advertisement, no later than Friday, July 4, 2008, in a major newspaper of each of the cities in which the committee intends to meet.

(5) That the advertisement be placed in the Toronto French weekly *L'Express*.

(6) That interested parties who wish to be considered to make an oral presentation contact the committee clerk by 4 p.m. on Friday, July 25, 2008.

(7) That the committee clerk distribute to each of the three parties a list of all the potential witnesses who have requested to appear before the committee following the deadline for requests.

(8) That if necessary, the members of the subcommittee prioritize the list of requests to appear and return it to the committee clerk by 5 p.m. on Monday, July 28, 2008.

(9) That, if all requests to appear can be scheduled in any location, the committee clerk can proceed to schedule all witnesses and no prioritized list will be required for that location.

(10) That the minimum number of requests to appear to warrant travel to a location be four.

(11) That all witnesses be offered 15 minutes for their presentation, and that witnesses be scheduled in 20-

minute intervals to allow for questions from committee members if necessary.

(12) That in the event all witnesses cannot be scheduled, all witnesses be offered 10 minutes for their presentation, and that witnesses be scheduled in 15-minute intervals to allow for questions from committee members if necessary.

(13) That the deadline for written submissions be 5 p.m. on Thursday, August 7, 2008.

(14) That the research officer provide a briefing paper to the committee members by Tuesday, July 29, 2008.

(15) That the research officer provide a summary of the presentations by Thursday, August 14, 2008.

(16) That the research officer provide a draft report to the committee members by Tuesday, August 19, 2008 at 12 noon.

(17) That, in order to facilitate the committee's work during report writing, proposed recommendations should be filed with the clerk of the committee by 12 noon on Wednesday, August 20, 2008.

(18) That the committee meet for the purpose of report writing on Thursday, August 21, 2008.

(19) That the committee clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

Mr. Chairman, that's your subcommittee report.

The Chair (Mr. Pat Hoy): Thank you. Any comments?

Mr. Tim Hudak: This is probably the appropriate time to ask my friend the parliamentary assistant from the Ministry of Finance—I just want to understand this as we begin and as we're debating the subcommittee proposal—what exactly is the scope of this review going to be and what efforts should we, as members on this side of the table, put into it?

I think we all know that Premier McGuinty has made some very clear comments that the health tax is here to stay. He said—and this is from the Toronto Star of March 19, 2008—when speaking about this committee's work, "I think the outcome is pretty predictable."

I think you'll remember, Chair, that during the election campaign in the fall of 2007, Premier McGuinty, I think, when referring to the health tax review, said that he needs the money and had no plan on changing the health tax.

Maybe I'll share this with members of the committee. The St. Catharines Standard, an excellent journal from the Niagara Peninsula, did an editorial entitled "Health Tax Review is a Pointless Exercise." Just to give a couple of quick quotes from it, they said in the editorial, "If a promise is made to do something, but there is no intention to act beyond keeping that initial promise, is it really a promise worth making?"

The article goes on to say, referencing this time of the review, "Many hoped this would mean the beginning of the end of the tax, that after five years the government's books would be balanced and the tax would be redundant...."

"If there is no desire in the McGuinty government to scrap, or at least reduce, the controversial health premium, then why is the government wasting resources reviewing it?"

My last quote—and, as I said, I'll share this with members of the committee—"Despite the tax bolstering provincial coffers for more than four years now, the problems plaguing health care then plague health care today."

So that's just a bit of a preamble.

To the parliamentary assistant: What exactly is the scope of our review, and will we be contemplating eliminating the tax, or is this a pointless exercise, as the Standard suggests?

Mr. Wayne Arthurs: The legislation, under section 29.2 of the Income Tax Act, provides for a review starting, I believe, on or after June 30, 2008, and in effect, we are, through this committee process—and I defer to the Chair on this—going to hear from those who have made submissions to us in respect to the legislation and review that, and probably the opposition parties and ourselves will be considering those comments in the context of changes that one might want to contemplate in the context of the legislation. Regarding whether or not there will be changes, I guess we'll have to wait for the committee to complete its work.

Mr. Tim Hudak: I'll just be quick here in response. What's the bottom line? Is the fix in? Is it a fait accompli? Is this goose nice and cooked? Are we keeping the health tax? Is this kind of a waste of our time?

The Chair (Mr. Pat Hoy): The letter to the Clerk of Committees on a number of various committees that are sitting this summer, but in particular on this one today, for review of the Ontario health premium in accordance with section 29.2 of the Income Tax Act, to meet on the following days—and it was signed by Mr. Colle, chief government whip; Norm Miller, official opposition whip; and Gilles Bisson, third party whip. So my estimation is we're here for a review of the Ontario health premium in accordance with section 29.2 of the Income Tax Act.

Mr. Tim Hudak: The efforts we put into this, Chair, from myself, Mr. Barrett, Mr. Tabuns, on behalf of the opposition parties—we have other commitments to make. We oppose the imposition of the health tax, of course. We'll bring forward suggestions, but I want to know that they'll have their day in court. If Premier McGuinty has

already made up his mind, before we even hear from the first delegation today, that the health tax is here to stay, that there will be no changes to the health tax, I wonder what the purpose is and why we're wasting people's time.

I'll also point out that the committee is meeting the day after the civic holiday, in the dead of summer, which I think indicates the low turnout we've had, because this sort of has slipped under the radar, so to speak, in the midst of the dog days of summer, if these are the dog days of summer.

My last question to the parliamentary assistant: Is the government contemplating eliminating the health tax or significant changes to it?

Mr. Wayne Arthurs: Again, I can only respond that the committee has its instructions from both the legislation and the Legislature in the context of the work we're doing as a committee, and until such time as we hear both from the witnesses who want to present to us and the opportunities to bring forward recommendations, I think it would be pre-emptive of us to come to any conclusions—at least it will be for me.

Mr. Tim Hudak: I've made my point, Chair.

The Chair (Mr. Pat Hoy): I think perhaps you did.

With that being said, all in favour of the report? Carried.

0930

REVIEW OF THE ONTARIO HEALTH PREMIUM

CITY OF LONDON

The Chair (Mr. Pat Hoy): Now we have on the line, by teleconference—there's been a change, committee members. We have the mayor of London on the line. Can we link with her now?

Ms. Anne Marie DeCicco-Best: I'm on the phone.

The Chair (Mr. Pat Hoy): There we are. Just as a preamble, Mayor, you have up to 15 minutes for your presentation. There could be up to five minutes of questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard, and you can begin.

Ms. Anne Marie DeCicco-Best: Thank you very much. My name is Anne Marie DeCicco-Best and I am the mayor of London, Ontario. I'm happy to be able to present to your committee this morning. I appreciate the comments that were just made in the preamble because I am hoping that the government and all parties have an open mind to presentations such as those on London for changes that we see are very important to this issue.

Our introduction is as follows: At our 2008 pre-budget submission to this committee in January, we asked for the adoption of legislation to clarify that the Ontario health premium was intended to be a tax on the individual. This request was also part of our earlier pre-budget submissions following the introduction of the

OHP. Again today, we want to re-emphasize these points in the hope of a legislative solution that would save property taxpayers in London and elsewhere millions of dollars annually.

The new employee health premium that took effect in July 2004 was clearly intended by your government to be a tax on the individual. This was confirmed in discussions between our London civic administration and ministry staff on the day the budget was introduced. In May 2004, the Minister of Finance was also advised by AMO that, "As employers, municipalities will also be looking to the ministry for clarification on the proposed Ontario health premium. It will be important that amendments to the Income Tax Act make it very clear that this new source of health care funding is not related to Ontario health insurance plan measures eliminated in 1990, and that the new measure is an income tax which is not connected in any way to the notion of health insurance. The intention of the new measure seems clear. We need to ensure that it does not inadvertently become a cost for Ontario's municipalities."

The Minister of Finance confirmed this view on June 24, 2004, advising the Legislature in response to a question that this premium, the OHP, "is not a premium as contemplated by those collective agreements. The critical difference ... is this: Failure to pay the premium is a violation of the Income Tax Act, and the penalties arise accordingly. But it does not disqualify any individual in this province from the health care services that we provide through the Ministry of Health and other agencies. So to that extent, it doesn't have that classic definition of a premium and is not covered by those collective agreements."

Notwithstanding the intent, the Ontario health premium has led to costly arbitrations and judicial reviews. The awards are largely dependent on interpretation of dated wording found in collective agreements, which did not envision employers paying employee income tax requirements. Of the over 90 arbitration awards which have been issued on whether employers or employees are responsible for the payments of the OHP, 18 have resulted in the employer paying the OHP for its employees, while essentially the same language has been reviewed by a large majority of arbitrators that have reached an opposite result.

Three of these 18 awards have had a direct impact on taxpayers in the city of London, involving the Canadian Union of Public Employees (CUPE) Locals 101 and 107, and the Amalgamated Transit Union (ATU) Local 741. The approximate annual cost to the city of London is over \$800,000 and this amount will only grow in the future. We are currently awaiting the outcome of the arbitration process on the same issue involving the London Professional Fire Fighters Association, which could result in an additional \$200,000 to \$300,000 in annual costs to the city of London.

While OHP revenues have clearly been intended to fund various Ontario health care initiatives, payment of the OHP is not a precondition of public health insurance

coverage. As such, the OHP is simply a new income tax applicable to all Ontario residents, and is not related to health insurance coverage. This is a far different situation than one in which payment of OHIP premiums was a condition of coverage for insured health services provided by OHIP. Furthermore, individually paid OHIP premiums were long ago replaced with an employer payroll tax through the Employer Health Tax Act.

I urge members of this committee to consider the July 28, 2008, joint written submission of the Canadian Urban Transit Association, CUTA, and the Ontario Public Transit Association, which shares these concerns and reviews the arbitration and legislative history in more detail.

Whatever the details, there have clearly been unintended consequences to local property taxpayers, and we are asking this morning that you recommend a legislated remedy—that the province adopt legislation to clearly state that the Ontario health premium is an employee responsibility and not the responsibility of employers.

The Chair (Mr. Pat Hoy): Mayor, does that conclude all of your remarks this morning?

Ms. Anne Marie DeCicco-Best: It does. Thank you.

The Chair (Mr. Pat Hoy): Thank you very much. The first round of questioning will go to the official opposition.

Mr. Tim Hudak: Your Worship, thank you. It's good to hear from you. Thank you for joining the committee's consultations this morning.

I appreciate the focus of your presentation around whether the so-called health tax can be passed on to the employer under collective bargaining agreements. I apologize: Will we be getting a written copy of the remarks as well?

The Chair (Mr. Pat Hoy): Yes, we have written—

Mr. Tim Hudak: Terrific.

Your Worship, you said that the impact on the city of London currently is \$800,000 annually?

Ms. Anne Marie DeCicco-Best: Yes—that we know of so far with those unions that have challenged it in arbitration.

Mr. Tim Hudak: Does that include the firefighters?

Ms. Anne Marie DeCicco-Best: No.

Mr. Tim Hudak: So that could be in addition.

Ms. Anne Marie DeCicco-Best: That will be somewhere between an additional \$200,000 and \$300,000 annually.

Mr. Tim Hudak: You're absolutely right: When this issue first came to the attention of the Legislative Assembly, there were a number of questions during question period, and you mentioned a couple of the answers that were received from the Minister of Finance at the time, as well as a letter to AMO. In fact, I think promises were made at that time that the health tax would be changed to ensure that these costs could not be passed on to the employer. Effectively, taxpayers in London are paying this premium twice: They pay it through their income taxes, and now they pay it in their property taxes to the municipality.

Have you had any additional responses recently? You mentioned the larger urban submission as well on this issue.

Ms. Anne Marie DeCicco-Best: I hope that you will get a copy of that; if not, we'll make it available to you. We did send it to the clerk of the standing committee because it is a very detailed three-and-a-half-page document that speaks very clearly to what happens with the arbitrated settlements, in particular what we have found with our transit unions.

I suspect that as more and more of these go forward with other union groups, bargaining groups within the city of London and frankly other municipalities, you're going to continue to hear that it is a burden on the tax base that was never contemplated. It certainly wasn't the way it was expressed to us that it should work, but clearly the outcome is such that it is working the way it's not supposed to work, in terms of the burden on us.

Mr. Tim Hudak: Have you had any recent responses from area MPPs or other government officials on eliminating this new burden on property taxpayers?

Ms. Anne Marie DeCicco-Best: We blazed the trail on the issue, and we have not yet heard back that there are going to be any changes.

Mr. Tim Hudak: I think my colleague Mr. Barrett may have some questions.

Mr. Toby Barrett: Thank you, Mayor. We did attend London last winter, and we appreciated the deputation at that time from the city of London. We heard of some of the concerns within the city—not only the municipality but the area economy. As we review this so-called health tax—and we are cognizant that during the 2003 election the people of Ontario did not vote for this tax either to be administered on income or, as you have pointed out, to be administered on property, and you've made it very clear that there have been some unintended consequences to local property taxpayers. We are also very concerned about the intended consequences, with respect to drawing down on people's income.

We're very concerned that we're doing a review right now which may well be redundant. In March, the Premier himself indicated, "We're mandated by law to review that health tax, and we will do that." I think the outcome is pretty predictable. So we're not holding out much hope to be able to eliminate the so-called health tax, but the point that you have made, I think, is something—I know our parliamentary assistant has indicated that we have an opportunity to bring forward recommendations. We hope to bring forward some material to alleviate some of the concerns that you have indicated.

0940

I guess my broader question: People in the city of London are now paying a health tax probably in the order of an additional \$900 a year. We have other taxes that have come up, in spite of what we heard during the election. There have been three separate tax increases on tobacco; we now have a tax on electronics; there was a tire tax. There are musings on a so-called carbon tax. Do you have any comments just in the broader picture with

respect to the impact of these increases in taxation on the people in London?

Ms. Anne Marie DeCicco-Best: I can't speak to all the other taxes that you have raised, but clearly on this one we have been raising the red flag from the moment it came out to be sure that once it became legislation, it was not going to have an increased burden on our taxpayers, and of course it has. While we continue to make these submissions, I'm hopeful that the government will listen.

It's a very simple thing that we are looking for. We need to have the clarification very clearly in the legislation that the responsibility is for the employee, not the employer. I fully suspect that this Ontario health premium will be here to stay for some period of time. I don't know that we're going to change that. But clearly what has to change is who is responsible to pay for it; otherwise, it will continue to increase the cost to our taxpayers at a time when we are doing everything possible to reduce taxes so that we can remain competitive and keep jobs within our region, which has been hard hit.

Mr. Toby Barrett: Thank you very much, Mayor.

The Chair (Mr. Pat Hoy): Thank you very much for the presentation, Mayor.

Ms. Anne Marie DeCicco-Best: Thanks very much.

MARY LOU AMBROGIO

The Chair (Mr. Pat Hoy): That concludes that presentation. We'll now see if we can link with our next presenter, Mary Lou Ambrogio. Mary Lou, you can hear us?

Ms. Mary Lou Ambrogio: Yes, I can hear you, thank you.

The Chair (Mr. Pat Hoy): Excellent. You have 15 minutes for your presentation. There could be up to five minutes of questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard, and then you can begin.

Ms. Mary Lou Ambrogio: Okay. Thank you.

My name is Mary Lou Ambrogio. I am just a person—not a business person, not a wealthy person, just a regular working person. I'm a widow with two school-aged children. I'm also a co-founder of an advocacy group called the Forest City Institute. At the Forest City Institute, we're concerned about overtaxation and overspending, and we attempt to hold our municipal government accountable for decisions they pursue that may adversely affect taxpayers, but we're cognizant of the fact that this kind of thing happens at all levels of government. So I'm here both as a spokesperson for the Forest City Institute and for myself, and I thank the committee for this opportunity to speak.

Let me start by saying that no discussion about this health tax can begin without noting the fact that this tax began with a broken promise and will continue to exist only by breaking with the spirit of an obligation. That obligation was that the tax would be reviewed and results of the review presented to the assembly no later than December 31, 2008. Presumably, if the results of the

review were negative, it could result in the elimination of this tax. However, Dalton McGuinty has already explicitly stated that regardless of the outcome of this review, the tax will not be eliminated. Unfortunately, this may be one promise he intends to keep.

It's significant that some people who were asked to come to this hearing to express their concerns about the health tax made the observation that since McGuinty has explicitly stated that the tax will not be eliminated, there was no point in speaking. Think about that for a moment. Now that he has been given another four years of majority rule by his voting base, which is largely comprised of individuals who have a vested interest in supporting Mr. McGuinty's style of big government and extreme revenue-raising at the expense of taxpayers, he doesn't even pretend to be concerned about what is in the best interests of Ontarians. Unfortunately, the cynicism that some people feel is not unwarranted, but we must resist the temptation to give up, and we must insist that our voices be heard regardless. It was once said that the condition upon which God hath given liberty to man is eternal vigilance. While it's exhausting and frustrating at times, we must not cease to be vigilant and we must speak up for what we know is right and good.

When a politician breaks a promise, as odious as this notion is, one would at least hope that the outcome of the change of direction is for the good. In this case, given that the revenue from this tax is not going directly to health care, but rather into general revenues, we couldn't even count on a vastly improved health care system in exchange for this broken promise. You'd have to go back to the 2004-05 budget to see the list of programs that received funding from the health tax, and to see that many were not strictly related to health care. As a result of this embarrassing revelation, the government no longer lists the programs that are directly funded by the health tax. I suppose that's one way to deal with lack of accountability—to simply hide the information that could be used to make a proper and fair assessment.

Given that this avenue is closed, let's look for some kind of evidence of a vastly improved health care system that we can observe in order to determine whether this extra revenue is doing what they told us it would do.

We're still dealing with doctor shortages, and nurses are in short supply. We still have overcrowded emergency rooms. Our long-term-care homes are still short of beds, which in turn has an effect on the availability of acute care beds in our hospitals. Our long-term-care homes are still understaffed, leading to one of the most outrageous statements from a health minister in recent memory, wherein George Smitherman said he would wear an incontinence product in order to determine whether or not the 75% capacity guideline currently in place is reasonable. Despite election promises of committing to a revolution in long-term care, all we've seen is the maintenance of an already unacceptable status quo. We also still have people travelling across the border and paying for non-emergency and diagnostic imaging so that they can have these important procedures done in a

timely manner. In recent news, we've heard about a C. difficile outbreak in our hospitals that has killed at least 260 Ontarians. Actually, due to the government's refusal to call an inquiry, we don't even know the full extent of the problem or how many deaths there have been due to this outbreak. Otherwise healthy people going into hospital for elective surgery are dying.

This doesn't sound like we're seeing improvements in health care. When you consider that the government currently spends 46 cents of every program dollar on health, one can be forgiven for asking, where is the value for hard-working Ontarians' money?

Mr. McGuinty's refusal to cut taxes in the face of economic uncertainty in order to help our struggling economy is by now well known. In April 2008, he said that if he were to cut taxes, he would have less money for education and health care. But, as noted, we have no verifiable proof that the money is being spent on health care in the first place.

We certainly know that spending has increased dramatically. In the last full year of the PC government, spending was \$68.5 billion. Under this Liberal government, total spending has skyrocketed to \$93.4 billion, which is a 24% increase in just four years, but whether that money is being spent in the ways Mr. McGuinty suggests is a little less clear. In looking at outcomes and improvements in health care since this tax was instituted, we'd have to give it a failing grade.

Let's move on to intake, then, and where this money is coming from. Let's talk about who's paying this tax. It is, in fact, the middle class that is hit the hardest by this tax, since it is a regressive tax. We already have working families and seniors who are having trouble making ends meet. This tax only adds to those problems. A person with a taxable income of \$25,000 has to pay 1.2% of their income for the health tax; a person earning \$72,000 pays just over 1%; a person earning \$200,000 pays 0.45%; and a person with a \$1-million income pays only 0.09%. On an income of \$25,000 per year, \$300 is a significant chunk of disposable income gone. This is money that is no longer available to help pay for groceries, clothing and trips to the dentist. Quite simply, this is money that families need to survive.

Despite unexpected revenues of \$5.1 billion last year, Dalton McGuinty continues to claim that he needs every penny of this unfair Ontario health premium. But the issue of how this money is actually being spent and whether or not it really is resulting in better health care is extremely relevant. If people are struggling to survive in order to pay for this Liberal government's irresponsible and unproductive spending ways and our health care has not improved, there is no justification for keeping this tax in place.

Mr. McGuinty has forgotten that government is there to serve the people and not the other way around. As such, he must honour the obligation to consider eliminating this tax if the results of the review are not favourable. Thank you.

0950

The Chair (Mr. Pat Hoy): Thank you. Does that conclude your remarks?

Ms. Mary Lou Ambrogio: It does.

The Chair (Mr. Pat Hoy): Thank you very much.

Now we will move to the NDP. Mr. Tabuns.

Mr. Peter Tabuns: Thank you, Ms. Ambrogio. You were very clear in your presentation, and I have no questions.

Ms. Mary Lou Ambrogio: Thank you.

The Chair (Mr. Pat Hoy): Thank you for this morning's presentation.

Mr. Tim Hudak: Chair, it might be of help to particularly the folks who are on the phone to explain that we're going on a rotational basis, so each party has the sole five minutes of questioning for the particular delegate. Mr. Tabuns had no questions for Mary Lou; others may very well have. I just think it's important to make it clear to delegations not here in person particularly.

The Chair (Mr. Pat Hoy): Very good. Then, the rotation would end there and there will be no further questioning, just for your benefit, Mary Lou. Thank you for your presentation before the committee.

Ms. Mary Lou Ambrogio: Thank you. Goodbye.

CANADIAN TAXPAYERS FEDERATION

The Chair (Mr. Pat Hoy): Now I would call on the Canadian Taxpayers Federation to come forward, please. There is a written presentation with this as well for the members to follow if they wish.

You have 15 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard, and you can begin.

Mr. Kevin Gaudet: Good morning, ladies and gentlemen of the committee. My name is Kevin Gaudet. I'm the Ontario director of the Canadian Taxpayers Federation.

We are a national, non-partisan, not-for-profit organization with 68,000 supporters, 20% of whom live in Ontario. Our mandate is to advocate for lower taxes, less waste and more accountable government. Not surprisingly, the CTF mandate has importantly driven our long-standing opposition to the health tax.

The health tax represents a key broken promise by this government and it should be eliminated. With the Ontario economy close to a recession, broad-based tax relief for individuals, families and businesses would help spur spending and a return to healthy growth in the economy. This tax relief should begin with the elimination of the health tax.

In its press release announcing this tax, the government touted two other provinces as examples to follow: It touted the BC example and the Alberta example. If this committee wishes to follow the example of those two provinces, it may wish to look to Alberta, which has already begun with the elimination of its tax. They axed

the tax in their last budget, which means that Ontario is the only remaining province, with British Columbia, that has such a tax.

A review of the Ontario health tax requires a brief look at the history of its creation, one in which the Canadian Taxpayers Federation has played a large and continuing role.

During the 2003 election, on September 11, 2003, then-Liberal leader Dalton McGuinty signed the taxpayer protection pledge promising not to raise taxes absent a referendum. The pledge stated, as I remind you, "I, Dalton McGuinty, leader of the Liberal Party of Ontario, promise, if my party is elected as the next government, that I will not raise taxes or implement any new taxes without the explicit consent of Ontario voters and will not run deficits. I promise to abide by the Taxpayer Protection and Balanced Budget Act."

However, in his first budget in March 2004, Premier McGuinty broke this promise, violating the taxpayer protection pledge by imposing the new health tax, the single largest tax hike in the history of the province of Ontario.

Mr. McGuinty would have Ontarians believe that the tax was necessary to balance the budget, claiming he didn't know about the size of the deficit. This simply cannot be true. For two months prior to making this promise, Liberal MPPs were stating publicly that the deficit was \$5 billion. At committee, Liberal MPP Monte Kwinter and finance critic Gerry Phillips argued in June 2003 and again in August 2003 that the deficit was \$5 billion. On September 22, 2003, only 11 days after Mr. McGuinty promised not to raise taxes, the Fraser Institute issued a fiscal report about Ontario declaring that the deficit was actually \$4.5 billion. An Internet search today reveals that many stories were carried about the deficit size then, including on CBC Ontario and Canada NewsWire and in the Hamilton Spectator, to name only a few sources.

In light of these facts, it's virtually impossible that Mr. McGuinty and his party were unaware of the size of the deficit when they signed the pledge.

Taxpayers were understandably upset about this broken promise and the new tax. Thousands e-mailed and telephoned their MPP's office, radio stations and the CTF office in Toronto. In two short months, over 200,000 taxpayers signed the CTF petition asking Premier McGuinty not to raise taxes or run deficits. I challenge the committee to try to come up with another example of a time in Ontario when 200,000 people signed a petition. Hundreds rallied at Queen's Park, and the CTF launched a lawsuit in an effort to get the government to keep the promise that it had made.

Despite its re-election, the Liberal government should not view this as a vindication of the broken promise. On the contrary, 56% of Ontario voters voted for a political party that promised, in part or in totality, to eliminate or reduce the health tax, and only a minority of 44% voted for the status quo.

Regarding the naming of the tax, the so-called health care premium is intentionally misnamed as a “premium” in an effort to fool Ontarians into believing they’re paying for health care. There is no doubt that this tax would have been eliminated had it been named differently: perhaps the “bureaucrat salary enhancement tax.” Health care premiums pay for health care no more and no less than do the business tax, the insurance tax, the gas tax, the hotel tax, the electronics tax or your new paint tax, for example. By calling the tax a “premium,” the government tries to equate the health premium with an insurance premium like Ontarians pay for car or home insurance. If this were accurate, the level of premiums would fluctuate up and down depending on how much one used. They do not.

Dr. James Smythe, assistant professor of economics at the University of Alberta, commented on the Alberta health care premium and how it was not dedicated to or used for health care. He stated that the health care premiums “look and sound like a dedicated tax.... But ultimately the money that you pay for the Alberta health care premiums actually just goes into the general pool of government revenue. It doesn’t go to the department of health specifically. So although it looks like a specific tax, it’s not really.”

The same is true here in Ontario. This tax has nothing to do with health care and everything to do with a revenue grab.

Health care spending in Ontario has grown at a fairly constant rate, before and after the imposition of the tax, just as it did in Alberta. The tax revenue goes to general revenue and allows this government to fund its pet projects, like corporate welfare subsidies or slush funds, for example. The tax merely serves as a crutch for the government’s spending problem.

The government’s program spending has grown out of control. Every year for five years this government has spent at more than twice the combined rate of inflation and population growth, which we discussed when I presented to the committee in London during your pre-budget submissions. It has grown the public sector as fast as the private sector has grown, having created one new government job for every private sector job created.

To date, the new health tax has taken out of the economy a combined \$12.2 billion out of the pockets of families, businesses and individuals in Ontario. The tax revenue has grown from \$1.7 billion in 2004-05 to a projected \$2.8 billion in 2008-09. That’s a 65% increase in the tax revenue from the health tax in only five years.

The Fraser Institute’s 2008 tax freedom day report shows that Ontario families and unattached individuals pay the second-highest total tax rate of all Canadian provinces at 44.2%, just behind only Quebec at 45.6%.

Broad-based tax relief like the elimination of the health tax would provide tax relief to the most people in the fairest manner. This is in contrast to boutique tax cuts targeted to certain interest groups which are expensive to administer, complicated for all to understand, and are often used more for media and partisan benefit than real

economic benefit. An example of this would be the bicycle helmet PST exemption.

Finally, and importantly, Ontario supporters of the Canadian Taxpayers Federation overwhelmingly support the need for broad-based personal tax relief, with 54% making it their first choice, ahead of debt reduction, which came in second at 29%. Only 3% of the CTF supporters chose increased spending as their first priority.

In conclusion, at a time when the economy desperately needs a boost, the health tax should be eliminated.

That concludes my presentation.

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The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning goes to the government. Mr. Arthurs.

Mr. Wayne Arthurs: Mr. Gaudet, I appreciate your presentation this morning. Just a couple of questions, if I could. You made reference to—and I won’t give the details; I stand to be corrected on it even if I tried. The other two parties, during the course of the most recent referendum on government, had strategies to reduce or eliminate the health tax. I’m going to assume that your preferred course of action would be to see it eliminated in its entirety immediately.

Mr. Kevin Gaudet: No. During the pre-budget submission that I made, Mr. Arthurs, in London in the spring, the Canadian Taxpayers Federation made a submission recommending that the government freeze spending for two years, and that, given the fiscal state of the economy and the magnitude of the health tax, it would require a two-year spending freeze in government spending and a correlative elimination of programs like the corporate welfare programs. I outlined five in our submission at the time.

Did that answer your question, sir?

Mr. Wayne Arthurs: No, no—in the context of the health tax.

Mr. Kevin Gaudet: Yes. In order to eliminate the health tax, it would have to be eliminated over two years, sir.

Mr. Wayne Arthurs: You would want to see it eliminated over two years, not immediately, if that were the case?

Mr. Kevin Gaudet: Yes, correct.

Mr. Wayne Arthurs: Given the other options that were presented during the course of the election campaign—a gradual phase-out with an undefined time frame, as I understand, at least from the press releases, and/or the increase of the tax; I think the third party was increasing the tax for higher income earners and raising the threshold for lower income earners—what’s your sense of those two options, then?

Mr. Kevin Gaudet: You’re not asking me how I voted, sir, are you?

Mr. Wayne Arthurs: No, not at all.

Mr. Kevin Gaudet: Of those options, I’m not a fan of any of those options, specifically. I’m a fan of the CTF position, which is an elimination of the health tax over

two years, a freezing of government spending and the elimination of corporate welfare, sir.

Mr. Wayne Arthurs: So on the health tax that we're dealing with today, your submission is that it should be eliminated over a two-year period.

Mr. Kevin Gaudet: I believe there's fiscal room in the budget in order to do that. Unfortunately, this government has a propensity to increase spending at an alarming rate to twice the rate of inflation and population growth, a target which Paul Martin had established and seems to be a reasonable target. This government's spending has broken that by double in each of its last five budget years. It drains money from the economy in an inefficient manner. As a result of that, the tax couldn't be eliminated in one year without probably undue pressure on the budget.

Mr. Wayne Arthurs: Over two years, then?

Mr. Kevin Gaudet: Yes, sir.

Mr. Wayne Arthurs: Thank you.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Kevin Gaudet: Thank you.

ROB CHESHIRE

The Chair (Mr. Pat Hoy): Now we'll return to teleconferencing. Do we have Rob Cheshire on the line? Rob, can you hear me?

We'll recess for five minutes.

The committee recessed from 1005 to 1006.

The Chair (Mr. Pat Hoy): The committee will now resume. It's my understanding that we have Rob Cheshire on the line. Can you hear me, Rob?

Mr. Rob Cheshire: Yes, sir, I can. Good morning, Chairman and committee members.

The Chair (Mr. Pat Hoy): Rob, you have 15 minutes for your presentation. There may be up to five minutes of questioning following that. I would simply ask you to identify yourself for the purposes of our recording Hansard, and you can begin.

Mr. Rob Cheshire: I'm Rob Cheshire. I reside in Windsor, Ontario, in the county of Essex. Thank you for allowing me to address the committee with my concerns. I'll be short. I only have five points. Can everybody hear me okay? Hello?

The Chair (Mr. Pat Hoy): Yes, we can hear you. Go ahead.

Mr. Rob Cheshire: Okay. Point one: The health care premium, Bill 106, was supposed to be a cure-all to the fiscal pitfalls within the province as procedures, instruments and costs continued to increase.

Little or no effect or benefit within health care: The wait times at emergency rooms here in Windsor have not decreased as MPPs and the health care minister said. There have been several incidents of local ambulances within Windsor being held up at hospitals because their patients were not ready to be received, admitted, or released from their care. Had there been another emergency within the Windsor area, no ambulances were available,

because they were waiting at hospitals for their patients to be admitted or released.

Point two: Increasingly addictive street drugs such as crack cocaine, meth and ecstasy, with the standard 21-day programs funded by the province, have not increased but stayed the standard course of mediocrity. The criminal elements that produce these substances are very inventive in creating extremely hard-to-kick street drugs. The province needs to respond with a fully funded extended treatment period. The 21-day periods are nothing short of a joke, and the funding to harm-reduction modalities is a defeatist and careless attitude that enables the addict to basically harm themselves and the community at large. The best outcomes for treatment and addiction are longer stays in a residential treatment facility.

Point three: The issue of underserved and over-served areas is of concern when surgeons pass the age of 70, are no longer able to perform surgeries, and are allowed to hold their OHIP numbers, therefore giving a false surgical availability status for that given area, which appears to be the case here in Windsor.

Point four: The issue of the present and past health ministers not declaring minimum standards for the elderly in rest homes and assisted living facilities is an abomination, in my opinion. If we legislate minimum standards for the care of children and revoke custody from parents when those minimum standards are not met, how then can we not legislate a minimum, which of course will be the maximum, to for-profit institutions that care for the aged and elderly who have little or no voice to their caregivers?

Point five: The downloading or delisting of physiotherapy and eye exams to individuals has made the health care tax a double tax and has increased the burden to moderate- and low-income families, increasing the disparity of the haves and have-nots and destroying what we call universal health care.

That would conclude my presentation.

The Chair (Mr. Pat Hoy): Thank you very much for having that before the committee. We'll move to the official opposition for questioning. Mr. Hudak.

Mr. Tim Hudak: Rob, thank you very much for taking the time to call in to the committee today and being available even before the 10:20 time slot. Your points are all connected and make an important statement about this so-called health tax. Mr. Barrett and I are using the term "so-called" health tax because, as I think you know, it simply flows into the general revenue fund. It's a health tax by name only.

The previous presenter, Mr. Gaudet from the Canadian Taxpayers Federation, pointed out it was a way to sugar-coat a massive tax hike on middle-class families and seniors by calling it a health tax when in fact it's simply an income tax. It goes into the same general fund that tobacco taxes or sales taxes or your income taxes go.

Were you aware that it didn't go into health care specifically?

Mr. Rob Cheshire: No, I was not, but I haven't noticed any performance increase with wait times or,

with myself having several surgeries within the last couple of years, I have not noticed any benefit to the health care tax.

Mr. Tim Hudak: How do you think yourself and folks in Windsor would react if they found out that the so-called health tax just goes into the big pool of revenue in the general revenue fund?

Mr. Rob Cheshire: I think we would feel like we've been scammed, and I think the province should.

Mr. Tim Hudak: You mentioned a number of specific items around health care in Windsor and the surrounding area. You mentioned specifically that ER waits have not changed; there have been ambulance delays. What has been the experience of patients in Windsor who are trying to get into their local hospital?

Mr. Rob Cheshire: The waits are up to six hours.

Mr. Tim Hudak: Six hours for emergency rooms?

Mr. Rob Cheshire: Yes. We had Sandra Papatello, the local MPP, tell us last fall that wait times were down etc. Then, just a few days later, it came out on the front page of the paper that this was not the first time that ambulances were tied up at the hospitals and we didn't have one ambulance available in the city of Windsor. That is a serious concern.

Mr. Tim Hudak: I'm sorry, not a single ambulance was available in Windsor to take patients to the ER?

Mr. Rob Cheshire: No, because they were all tied up at hospitals.

Mr. Tim Hudak: You spoke also, Rob, about street drugs, and you have some specific concerns about—I apologize for my ignorance on this topic. You said something called a 21-day program?

Mr. Rob Cheshire: That's all that the province is funding right now, and it has remained the standard since the late 1990s. It's not enough. We have people who want out of this lifestyle, and they are not able to gain access to proper treatment because the funding is not there; we don't have the funding in the hospitals for withdrawal management. I know people who work there—I do volunteer work as a substance abuse counsellor—and it is not enough.

Recently, the province declared millions of dollars to a harm-reduction modality which basically provides drugs and a way to use them in what they call a "safer means." That is not a fix to the problem. Longer treatment periods—we know this from behavioural scientists—present the best model.

Mr. Tim Hudak: We have just under a minute left, Rob, on the presentation. Again, I thank you for taking the time to call and for your excellent points.

My last question gets around to your point five, which was the simultaneous delisting of physiotherapy, chiropractic care and optometry services at the same time that families in Ontario were whacked with this so-called health tax of up to \$900 per individual. What has been the impact of the delisting of those types of services?

Mr. Rob Cheshire: The lower income—it puts them in a place where they wind up getting taxed two and three times. I know some people down here who have stated

their cases: The government that did this, they will never, ever vote for them again.

Mr. Tim Hudak: Thank you very much, Rob; I appreciate it.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee.

Mr. Rob Cheshire: Thank you.

ANDREW DOWIE

The Chair (Mr. Pat Hoy): For the committee's information, the 10:40 has cancelled. It's my understanding that our 11 o'clock presentation, Andrew Dowie, is on the line. Can you hear me, Andrew? Hello?

Mr. Andrew Dowie: Hello. Good morning, members of provincial Parliament and Queen's Park staff. My name is Andrew Dowie. I'm from—

The Chair (Mr. Pat Hoy): Andrew, let me give you some introductory remarks before you begin.

You have 15 minutes for your presentation. There may be up to five minutes of questioning following that. I would just ask you to identify yourself once again for our recording Hansard, and then you can begin.

Mr. Andrew Dowie: Thank you very much. My name is Andrew Dowie. I am a resident of Tecumseh, Ontario, just east of Windsor. I'd like to say good morning to all of the members of provincial Parliament and Queen's Park staff. Thank you very much for providing me with the opportunity to speak with you today.

First off, I'd like to express my congratulations to each and every one of you for winning the confidence of your constituents to represent them at the Ontario Legislature. I certainly commend all of you for the hard work that you put in, your attentiveness to constituents and community issues, and for providing the policy leadership to guide Ontario's future in spite of the major challenges we face and the competing interests that you must satisfy.

I'm here today to express my concern with the existing Ontario health premium, which you are reviewing today. I am aware of the comments made by the Premier that this surtax will continue regardless of the outcome of these committee proceedings. This is a disappointing fact that I hope will be reconsidered. One thing I found from the various boards that I sit on is that governing includes prioritizing, and that's a painful exercise that I know you've all gone through during the budget process. I'm certain that the imposition of this health tax was an agonizing decision in light of the express promise to the electorate that such a matter would be put to a referendum. Such a referendum could have been coordinated with the projected federal election of 2004 and would have allowed the government to comply with its promise.

However, my principal concerns with respect to this health tax are structural. Health care spending is increasing at a significant rate. As the population ages, we will require further significant investment in health care services. For the protection of young Ontarians such as myself, we need to make decisions now regarding the spending priorities of the government. We cannot just simply raise taxes on individuals to prepare for this even-

tuality, especially one that is regressive and punitive to those at the low end of the income bracket.

My understanding is that a person with a taxable income of \$25,000 has to pay 1.2% of their income for the health tax, whereas a person earning \$72,000 pays just over 1%, a person earning \$200,000 pays 0.45%, and a person with a \$1-million income pays only 0.09%. This is basically penalizing lower-income Ontarians.

This health tax remains unnecessary. The government is about privatizing, and as a result, I for one have not seen significant enhancements to the health care system, at least in my neighbourhood. I've been to the hospital on two occasions since the introduction of the health tax; I've not seen service delivery increases. In fact, I read about infrastructure projects that are funded by this health tax, such as water main and sewer work.

Living near Windsor, we are bombarded with MRI advertisements from Detroit. When I lived in Ottawa when I was going to school, it was the same thing from the Quebec side. This is an industry that seems to be prospering from Canadian patients. Right now as it stands, this health tax has been used to purchase private MRI clinics, to effectively not enhance the delivery of the service, but rather put them out of public ownership.

From my perspective, it does not matter who delivers the service. What matters is that I receive the service, and I don't believe that the health tax, as currently used, is being used to that extent.

Currently, the government is spending 46 cents of every program dollar on health care, and as I mentioned before, that's only going to skyrocket. This is not good value for money as it stands right now. What will happen when demand starts to increase as our baby boomers start to retire and we need more and more health care services? Will a further health care premium or surcharge be introduced, and who will that be introduced onto? Will it be onto young people such as myself?

My understanding is that the health tax has raked in about \$2.6 billion in 2007. That's quite a lot of money, quite an increase to the provincial Treasurer. However, the Auditor General's statements have said that we have found waste and neglect in other areas. Therefore, as I look at the provincial budget right now, the revenues from the provincial government are at \$96.9 billion, which is about, from my calculations, a 41% increase from 2003. When will it stop? I'm very worried. Revenues are at an all-time high, taxes are certainly going up there, and this health tax is but one area; property taxes to the old provincial services are another.

I feel the provincial government's imposition of this health tax has led to a structure of taxation and of service delivery that will penalize young people for generations to come, in which we will not have a quality of life to the same extent as the current generation has.

This is a short presentation. I conclude my remarks, and I thank you very much for your time and your attention.

The Chair (Mr. Pat Hoy): Thank you for your presentation. The questioning will go to the NDP and Mr. Tabuns.

Mr. Peter Tabuns: Thanks for taking the time to address us this morning. You've been pretty comprehensive in your remarks, so I have only one question. Regarding your experience with the health care system in the Windsor area, have other people you've talked to had exactly that experience as well, and that is, a lack of facilities when you need them, a lack of assistance when you need it?

Mr. Andrew Dowie: That's just it. I can't think of a single person I know who has not had very significant wait times. In fact, I recall I was watching, I think, the Michael Moore movie *Sicko*, and I was shocked when the person from London, Ontario, spoke and mentioned, "I can get health care in 20 minutes at this hospital." I recall my last hospital stay was the better part of nine hours, waiting to be treated. Of course, my illness was not an emergency matter, but still, it seemed to be an excessive amount of time. For those I know who have contracted cancer or other kinds of diseases, it's agonizing waiting for the test results to come back, and with the additional amount of money that's being put into the system, I can't think of anyone who has realized a significant improvement in the delivery of health care.

In fact, I would say to the members of provincial Parliament that there's a real structural issue here, that money is not solving the problem, and this health tax compounds the other issues that would come about; that putting this regressive taxation on young people will make it more difficult for us to provide for our families in the years ahead.

The Chair (Mr. Pat Hoy): Thank you for your presentation before the committee.

Committee, we will recess until 11:10.

The committee recessed from 1023 to 1116.

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. My understanding is that they're linking with the next presentation as we speak. But I do understand that there's a motion that Mr. Barrett would like to put.

Mr. Toby Barrett: Thank you, Chair. I'll be very brief on this. I am cognizant that proposed recommendations are filed with the clerk by August 20. However, there is a bit of urgency, and this is an issue that has come up before the finance committee in the past. The clerk is distributing a motion to all members of the committee. I'll just walk through it very quickly.

"Whereas the McGuinty government has raised tobacco taxes three times since coming to office in 2003; and

"Whereas the McGuinty government has just received a \$156.9-million payment as a result of a civil settlement agreement with Imperial Tobacco Canada Ltd. and Rothmans, Benson & Hedges;"—I'll just intervene here to say, hence the urgency—

"Whereas the precedent was set when this government partnered with the federal Liberal government to provide \$35 million under the previous TAAP program; and

"Whereas the McGuinty government has repeatedly told farmers that Ontario would be an active participant in a federally-led process to address the tobacco crisis,

"I move that this government forward its 40% share to the tobacco growers of southwestern Ontario utilizing the \$156.9 million from the tobacco companies."

I ask permission just to table this in advance. It will be forwarded in a more formal way as well by the deadline. The urgency here is that the federal government has come forward with their 60% funding share for the farmers. This was announced late last week, and I just wanted the finance committee to be aware of this. This subject has come up a number of times before finance.

The Chair (Mr. Pat Hoy): Just for understanding, you want this motion to be put at report writing time as a recommendation?

Mr. Toby Barrett: It would be formally put then. I don't know the protocol. We have a situation where one level of government has moved on this file. At minimum, I want this committee to be aware. I don't know whether there are options for any other discussion if people have anything to discuss, and secondly, whether there is any action that we as a committee could take on this.

The Chair (Mr. Pat Hoy): I would just remind you that the deadline for motions for report writing is August 20. Mr. Arthurs.

Mr. Wayne Arthurs: Mr. Chair, I want to raise a point of order, respectfully, and I understand it might be a matter that the committee at some point may have an interest in. We were charged, for this purpose, by the Legislature to deal with the Ontario health premium as it relates to section 29.2 of the Income Tax Act. The point is, Mr. Chairman, that I believe this matter would be out of order in the context of the authorization we have during the intersession by the Legislature in respect to the matter that's before this committee. So I would ask that you rule in respect to whether the matter would be in order or out of order, either currently or certainly at the time of report writing.

The Chair (Mr. Pat Hoy): If it's related to the Ontario health premium review, he can file amendments by the 20th.

Mr. Wayne Arthurs: The point of order I'm raising is to whether or not this matter would be in order. Would you deal with it at that time? Would that be the appropriate time to deal with it, or should the member be provided with some information ahead of time?

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: I don't know if we're debating this or not, but the point I was going to add to this discussion is that unfortunately the finance committee is meeting for only one day during the entire summer recess. We recessed back in the third week of June, and we're getting back together the third week of September, so there are several months there when the committee is not meeting. This is the only day, and this is an issue of great importance to Mr. Barrett and his constituents. It's a concern that I have, as the finance critic, as well. I just don't see any problem with filing a motion and hoping that the committee will have time to debate this motion when it next meets or even sooner.

The Chair (Mr. Pat Hoy): The purpose of the committee sitting now, as agreed upon, is for the review of the Ontario health premium, in accordance with section 29.2 of the Income Tax Act. If the member wants this introduced standing alone, it would be out of order. But if it is an amendment to the Ontario health premium, that would be fine; it would be discussed at report writing time.

So is it your intention to make this an amendment to the Ontario health premium? If it was a new matter, it would be out of order.

Mr. Toby Barrett: I would certainly do my best to make this an amendment.

The Chair (Mr. Pat Hoy): It would have to be filed by August 20, and it would be discussed then, at report writing time.

Mr. Toby Barrett: Okay.

Mr. Ted Arnott: I just want to speak to this very briefly. I think that given the fact that the health premium, health tax, whatever we call it here, goes into the consolidated revenue fund of the government, this is a very legitimate issue for Mr. Barrett to be raising at this time, to focus attention on an issue that's very important to him and his constituents. I think he's done the right thing, and I would hope that the committee would see this as notice with respect to what our party's going to be bringing forward at the appropriate time, when the report writing stage commences. Certainly I think that there is an opportunity for us to discuss this issue, and I think this is the only opportunity, given the fact that the Legislature isn't sitting at the present time and no other committees, to the best of my knowledge, are sitting at this time either.

The Chair (Mr. Pat Hoy): As I mentioned, the member would have the opportunity to present it as an amendment at report writing time.

Mr. Toby Barrett: Okay. I'll thank the committee for the time and the discussion, and I consider it deferred.

WINDSOR REGIONAL HOSPITAL

The Chair (Mr. Pat Hoy): We do have our next presenter on the line. It is the Windsor Regional Hospital. Hello, can you hear us?

Mr. David Musyj: Yes, I can, thank you.

The Chair (Mr. Pat Hoy): You have 15 minutes for your presentation; there could be up to five minutes of questioning following that. If you would just identify yourself for the purposes of our recording Hansard, you can begin.

Mr. David Musyj: My name is David Musyj. I'm president and CEO of Windsor Regional Hospital. Thank you for allowing me to speak to you today regarding the Ontario health premium, under the provisions of the legislation requiring a review, and asking for Windsor Regional Hospital's perspective on it.

It's my understanding that the Ontario health premium was part of the Ontario government's plan to invest in and reform the health care system by accomplishing at

least five things, the first being shortening wait times; the second, expanding primary and community-based care; the third, increasing the number of doctors and nurses; fourth, delivering results in a more cost-effective manner; and fifth, ensuring that the system has the resources it needs.

In my opinion, up to this point, we have made substantial progress as a health care system, along with the ministry, in achieving each and every one of those items.

Let me just give you some background on Windsor Regional Hospital to give you some perspective and tell you how it is helping Windsor Regional Hospital and in effect helping the community which we serve and also the rest of the province.

Over the last 10 years, Windsor Regional Hospital has experienced substantial and unprecedented growth, both physically—facility expansion—staffing increases, program and service creation and expansion.

Ten years ago, Windsor Regional Hospital's consolidated operating budget was approximately \$90 million; today it stands at over \$270 million. Windsor Regional Hospital is still in the process of completing the last of the HSRC directions as they apply to Windsor Regional Hospital, with the commencement of the western campus redevelopment. Our western campus is where we house complex continuing care, rehabilitation and specialized mental health services.

It's anticipated that the demand for existing services will continue to increase, in large part due to the influx of the baby boomers. The first year of the baby boom generation turns 62 this year. They account for approximately 30% of our population. The average age of the patient currently being admitted to Windsor Regional Hospital is 66. At the same time, the supply of health care human resources is experiencing the same phenomenon. So from a demand side, it doesn't take a mathematician to figure out that if 30% of your population is turning 62 and our average age of admission is 66, when you move that bubble along the spectrum, the demand for services is just going to increase.

That's why one of the ministry's and the government's positions, to invest in community-based care and expanding community-based care, is critical. Hospitals are very expensive to run. Hospitals are not the answer. Hospitals are part of the solution and should be there for those who need hospital care. The community and the agenda that we have started on to invest in the community and invest in community-based services is most important and needs to continue in order to deal with this upcoming pressure that's on the system. So at the same time we're having this demand side, we're also dealing with a supply side issue. Our staff are getting older; physicians are getting older. Especially in Windsor, where we have the lowest amount of primary care physicians across the province, the demand for primary health care is huge and ever increasing. The creation of family health teams, which again is to expand primary care services and also increase the number of available physicians and nurse practitioners, is critical and most important and needs to continue

to deal with the supply side issue from a health human resources point of view.

During this time of substantial growth, Windsor Regional Hospital had to use part of its reserve funds to fund part of this growth and has accumulated over the last 10 years what is termed a working capital deficit of some \$55 million. On an operating side we struggle, just like other industries in the province. When our food costs, insurance costs and energy costs are all increasing at a rate of 10% to 12%, we really struggle, especially at a time where it's very difficult, still, to keep wages and benefit increases to 2% or less. Sometimes, you don't even have to touch benefits, you don't even have to increase benefits and the costs go up, just because of the usage, because, again, our staff are getting older and their use of the benefits is getting that much greater as they age.

We are facing some difficulties at Windsor Regional Hospital, but it's through the work with the ministry offices, with our local health integration network now, which is responsible for funding, that we've been able to get some critical funding that delivers on shortening wait times. For instance, we've received particular wait time funding for hips, knees, MRI and CT, which have all resulted in reductions in wait times in those areas, which again helps the community greatly and helps the rest of the province.

Two areas I want to talk about in particular with respect to wait times and where the money does its biggest bang: One is clearly with emergency departments. Most recently, an announcement came that Windsor Regional Hospital received approximately \$1.8 million, among some other hospitals—we not only just got the money, but actually had some deliverables that are attached to the money that require us to achieve these deliverables, or else we have to refund the money. That's very important, to hold us to certain standards in being able to keep the money. It has to deal with the ER wait times. This is critical.

We have a rather ambitious project that's starting at Windsor Regional Hospital that, in our opinion, is going to reform wait times across the province. It's what we term "warp speed." It's a program that was created by our chief of emergency, along with administrative staff here at the hospital, and has been approved by our board of directors and is currently under way. It's about nine months away from being completed.

What is going to end up happening is that instead of having a nurse at the hospital being in triage—a typical patient comes in and is seen by a nurse in triage, and then they register and, unfortunately, sometimes have to wait to see a physician—we're changing that around at Windsor Regional Hospital. We are going to have an actual physician in the triage area. So when patients do come in, they can be triaged rather quickly. Some of them might be able to be sent home, but a lot of them will be able to start their active treatment—diagnostic testing, laboratory testing—immediately. So while they're waiting for the results, they don't have to dupli-

cate that time. In effect, in our emergency department proper, we're going to take away this waiting room concept. All the patients who come in are going to be in the body of the emergency department. We're not going to have this waiting room concept. What that is going to result in is that people are going to have areas where we're going to be sharing cots or sharing stretchers, because not everybody needs a stretcher in an emergency department. We have reclineable chairs that we can fit in the existing space and make better use of the existing space.

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What these monies mean to the hospital: It allows us to accelerate the implementation of the warp speed project, which will result in reduction of wait times. Since we started to put into place the first elements of the warp speed project, we have seen a decrease in wait times along with an increase in patient satisfaction at the same time, which is incredible, to have both of them happening at the same time. We only see things moving that much better.

Also, from the cancer front—the other big area where we've made substantial progress as a hospital, based upon some help with respect to funding—most recently it was reported that our Windsor Regional Cancer Centre has moved from having the longest reported wait time in the province to the shortest. In May 2008, it reports that over 90% of our patients were seen within the target of 14 days; it has been a 37% increase over the last 12 months. In addition, we have good outcomes with respect to systemic therapy wait times, having the shortest median wait times for referral from start for the third consecutive year with respect to this.

So again, the first goal of the plan was to shorten wait times, and it has started to achieve that. Expanding primary community-based care: We have seen that as well with respect to the family health teams. Delivering results in a more cost-effective manner: That's where the obligation falls upon Windsor Regional Hospital as well. We're not just standing here with our hands out asking for more money. We know we have a positive obligation to do something about it, and, as a hospital, we are. We are currently undertaking what's called a zero-based budgeting project, which involves not only our front-line staff; all of our physicians in the hospital are participating in the program.

Over this 10-year period, as I've explained, costs have gone up dramatically. We've spent a lot of time reinvesting in facility growth and expanding programs. We need to take a fresh look at our budget, we need to take a fresh look at how we got to where we're at and we need to take a look at how we can do things differently. So we're using zero-based budgeting. We're halfway through the project right now, we have another six weeks to go, and we're starting to see some really dramatic suggestions coming out of that process on how to reform what we do to become more cost-effective and, again, not just have our hands out as a hospital.

In ensuring that the system has the resources it needs, up to this point in time our relationship with our local

health integration network, along with the ministry, has been very positive in this regard: very open discussion with respect to dealing with resources we need. Clearly, the continuation and the current presence of the health premium has a lot to do with that in moving this forward.

Those are my initial submissions on the Ontario health premium. I'm open for any questions anyone might have on how the health premium has impacted the hospital in these particular areas.

The Chair (Mr. Pat Hoy): And that concludes your presentation?

Mr. David Musy: Yes, thank you.

The Chair (Mr. Pat Hoy): Thank you very much. This round of questioning will go to the government.

Mr. Wayne Arthurs: Do you mind if I call you David? Is that okay?

Mr. David Musy: That's fine, thank you. Sorry about my voice. My son had a T-ball tournament up in Ancaster this weekend and, as you can tell, I did a little too much screaming.

Mr. Wayne Arthurs: Win or lose, as long as they had a good time. Is that what it's all about?

Mr. David Musy: They finished second. High Park beat them. So congratulations to High Park.

Mr. Wayne Arthurs: Excellent. I've got a couple of things. You'll appreciate, just being conferenced in, that we've had a number of presentations this morning, both conferenced in and in some cases in person, and not being here, you wouldn't have had the opportunity to hear some of those. Understandably, on some of the interests—we've heard from the Canadian Taxpayers Federation and some others that their primary interest is in the reduction of taxes, period.

Let me pose a question to you, if I can, and maybe get a reaction from you. With the implementation of the Ontario health premium, the tax, it certainly crystallized public thinking around health care and expenditures on health care when there was a dedicated amount of tax. It goes into the general fund and then gets spent on the health care system. Do you think it similarly crystallized some of the thinking in the hospital and the provider sector as well when that level of attention was drawn to dollars dedicated for that purpose?

Mr. David Musy: That's a very good point, and I agree it has. Public accountability and transparency on behalf of health care providers has taken a different level. Maybe the implementation of the Ontario health premium had something to do with that, because it does—when people are specifically paying for a particular service where they see the monies are being dedicated directly, they require accountability. That's one area where we've seen substantial growth in health care. For instance, most recently, six months ago, our hospital was one of the first hospitals in the province to start disclosing some information publicly, public transparency regarding quality indicators as well as financial indicators, and publicly disclosing them on a monthly and quarterly basis. Now, as you are aware, the ministry has come out that it's mandating, starting in the fall, in

September, the public reporting of C. difficile hospital-acquired infections, which we've been doing for quite some time. That's an important step. So from our hospital's perspective, yes, if the health premium has helped, and I could see how that could help, in creating a focus and then has resulted in the health care providers becoming more accountable and more transparent, that is a very positive thing in putting it front and centre in everyone's mind.

Mr. Wayne Arthurs: You also spoke during your presentation about a number of matters, two of which included the redevelopment at the hospital as well as the warp speed initiative. Clearly, both of those require government support and government funding. Do you see those as opportunities to leverage staffing? You made reference to the aging staff. Obviously, it's a challenge you're having; you referenced it particularly. Do you see these as opportunities to leverage staffing to attract either younger people or people into your system who would be looking to make a move? How helpful will it be to do that?

Mr. David Musy: Yes, it definitely is, not only short term, but long term; short term with respect to the construction of the project as well. I don't have to repeat for everybody what's happening in Windsor right now, but the creation of short-term and long-term jobs is very important for the Windsor economy. This will result in an increase in jobs here at the hospital.

Also, the new medical school is under construction at the University of Windsor. Its first full semester is going to be taking place this September. That, along with the facelift, renovation and new construction that's taking place at our western campus has been a way to recruit physicians. Even as early as today, I'm meeting with another internal medicine physician who is interested in coming to Windsor and coming to our western campus just for those two purposes—(1) the medical school, and (2) the renovation that's going to be taking place—and to be part of it.

Mr. Wayne Arthurs: You spoke extensively about the warp speed initiative, and among those comments early on that you hoped or anticipated that this might be rolled out in whole or in part province-wide. What type of collaboration are you doing now, or will you be doing, with other hospitals in an effort to provide them with windows of opportunity to enhance their emergency activity around a warp speed type of initiative?

Mr. David Musy: We've had a lot of discussion with other hospitals who have heard about it and are interested in it and have met with representatives of other hospitals to discuss the concept and see if it could work at their particular hospital as well. There has been some interest, again. There are certain elements of it that other hospitals are starting to adopt already, so there is a lot of sharing of information that is going on between the health care providers. Part of it will have to be, once we get up and running—the proof of the pudding is in the eating, and we'll find out how good it is once it gets up and running. But we're very confident, with the results we're seeing so

far with the early phases, that it's going to be successful in reducing wait times while we increase patient satisfaction.

The Chair (Mr. Pat Hoy): Thank you for your presentation this morning.

1140

UNITED STEELWORKERS

The Chair (Mr. Pat Hoy): I call now on the United Steelworkers of America to come forward, please. Good morning. You have 15 minutes for your presentation. There may be up to five minutes of questioning following that. I would just ask you to identify yourself for the purposes of our recording Hansard.

Mr. Erin Weir: I'm Erin Weir. I'm an economist with the United Steelworkers union. We've dropped the "America," but I suspect that was in your records from previous committee hearings. Thanks a lot for giving me an opportunity to participate in this review of the Ontario health premium. I've grown accustomed to appearing before committees on Parliament Hill where I'm only allowed five minutes, so it's great to come to Queen's Park, where things are a little bit looser.

I would begin my assessment of the Ontario health premium from the premise that the government of Ontario needs more public revenue, not only for health care, but also for industrial development, environmental initiatives, education and training, child care, social housing and other initiatives. The United Steelworkers, and indeed other unions, are quite willing to support additional levies to generate the public revenues needed to finance important public services. However, our concern is that the health premium generates relatively little revenue in an extremely inequitable manner. So I'd like to speak about Ontario's revenue needs, then about the regressivity of the health premium, and finally I'd like to discuss alternatives to the health premium.

I think there's general agreement that the government of Ontario has too little revenue to finance public services in this province, but there are different interpretations as to the cause of this. The conventional wisdom, and I think it's fair to say the provincial government's position, is that Ontario pays a lot of equalization to other provinces, which has created this supposed \$20-billion gap between Ontario and the federal government. I think it's worth noting that the entire equalization and territorial formula financing programs cost only \$15 billion. None of that money comes from the government of Ontario; all of it comes directly from the federal government.

The federal government does generate approximately 40% of its revenue in Ontario, so I suppose one could estimate that Ontario taxpayers contribute about \$6 billion a year to equalization. If the federal government eliminated equalization tomorrow, which would be completely unconstitutional, this would provide an extra \$6 billion of after-tax income to residents of Ontario but would provide no additional funds to the government of Ontario.

The only way the government of Ontario would get more public revenue under this scenario is if the government of Ontario were to increase its provincial taxes to take up the tax room vacated by the federal government. But even with equalization in place, the federal government has already cut its taxes a great deal, and the government of Ontario has chosen not to take up this tax room. So the real issue is not this mythical \$20-billion gap. The real issue is the political will or the lack of political will to set Ontario's provincial tax rates at the levels needed to generate sufficient revenue to finance public services in this province.

Essentially, Ontario public services are underfunded because the government of Mike Harris cut taxes quite deeply and because the government of Dalton McGuinty has chosen not to reverse those tax cuts. Hugh Mackenzie estimates that even after the \$3-billion health premium, Ontario is still losing \$15 billion annually from the Harris tax cuts. In other words, for every dollar that the Ontario health premium raises, the provincial government is still losing \$5 from the Harris tax cuts. So the first main problem with the health premium, quite clearly, is that it just doesn't generate enough revenue.

The second major problem with the premium is that it generates that revenue in a highly inequitable manner. A very important principle of taxation is ability to pay. Basically what that means is that people with higher incomes should pay proportionately more. This isn't just a theoretical principle; this is of great practical importance given the extreme inequality of personal income distribution in Ontario. The most recent available figures from the Canada Revenue Agency indicate that fewer than 5% of Ontario tax filers have incomes over \$100,000, yet this fewer than 5% collected more than 25% of total personal income in the province. So when I talk about progressive taxation, there's not only this issue of fairness, there's also the empirical reality that much of Ontario's potential tax base is concentrated at the upper end of the income spectrum.

The Ontario health premium is not progressive. On the contrary, it takes proportionately more from those with lower incomes. A person making \$25,000 pays \$300 in health premium. That's more than 1% of their income. Someone making \$200,000 pays \$750. That's less than one third of 1% of their income. A person making \$1 million pays \$900, which is less than one tenth of 1% of their income. Just to reiterate the regressivity of the health premium, it's worth noting that this person making \$25,000 a year, which would be somebody working full time for a little bit more than half of the average hourly wage in Ontario, would be paying more than 1% of their income toward the health premium. The millionaire, by contrast, is paying less than one tenth of 1% of their income to the health premium.

The regressive nature of the Ontario health premium could be mitigated if employers were to pay it on behalf of their employees. And indeed, when the health premium was implemented, many collective agreements in the province of Ontario already contained language re-

quiring employers to pay provincial health premiums. Unions were initially successful in enforcing these provisions of collective agreements through arbitration. However, the Premier and the finance minister quickly jumped in to clarify that the Ontario health premium was not a premium at all, but rather a tax to be paid by individuals. As a result of this intervention, most subsequent arbitrations ruled that employers did not have to pay the Ontario health premium.

I think it's really worth underscoring the inconsistency in the government's position. Initially, it came forward and said, "We promise not to increase taxes at all. This isn't a tax. It's a health premium." Then, when the issue of whether it was going to be paid by employers or workers came up, the government said, "No, no, we've changed our mind after all. It's not a premium. It's a tax that workers have to pay." This just aggravated the regressive nature of the health premium.

I'd like to move on to discuss some alternative ways of generating revenue. The United Steelworkers believe that Ontario should raise more revenue in a more progressive manner. As I already mentioned, reversing the Harris-era tax cuts would generate \$15 billion more than the health premium generates. Because other provinces also cut taxes during this era, I suspect that some commentators would argue that it's unrealistic for Ontario to fully reverse the Mike Harris tax cuts. However, I've done a calculation using the federal government's equalization tables, and what it shows is that if Ontario simply set its income taxes at the average maintained by the other nine provinces, this would yield an extra \$7.5 billion in revenue.

If the committee is interested in some specific ideas as to how to generate more income tax revenue in Ontario, what strikes me is that in the provincial income tax system, the top bracket begins at only \$71,000 per year. Adding another tax bracket for income in excess of \$100,000 per year could generate billions more dollars, and it would have absolutely no effect on the 95% of Ontario tax filers who make less than \$100,000.

I'll simply conclude by reiterating the fact that when examining the Ontario health premium, there are far more progressive ways of generating significantly more provincial revenue.

Thanks again for your time.

1150

The Chair (Mr. Pat Hoy): Thank you for the presentation. This round of questioning goes to the official opposition.

Mr. Tim Hudak: Mr. Weir, thanks very much for the presentation. You obviously put a lot of work into it. There were very detailed suggestions as to an alternative method of taxation.

Not to get you down, but the challenge we here at the committee have is that Dalton McGuinty has already said, basically, that he is not going to listen to what this committee says. He said, "I think the outcome is pretty predictable. The only need for the review at this point in time is a technical one." So the fix is in; this goose is

cooked. Dalton McGuinty has no intention of giving Ontario families and seniors any kind of break.

We heard today that emergency rooms are increasingly crowded—there are wait times of up to six hours in Windsor; long-term-care homes are still without beds, backing patients up into acute-care wards and into emergency rooms. It seems like the only way to get non-emergency surgeries or MRIs is to cross the border and pay for it yourself. Doctors and nurses are in critically short supply.

The big sham around the so-called health tax is that the money isn't going into health care at all; it's simply going into the general revenue fund. Dalton McGuinty has made that worse by making a sham of the committee hearing by not even listening to what the committee says.

I do appreciate the efforts that you made and the work that you have brought forward. I know that the United Steelworkers are part of a collective bargaining group with National Steel Car. The issue around whether the so-called health premium is payable by employers or by employees: At one time, the finance minister and the Premier had indicated that it must be paid by employees as opposed to employers; National Steel Car went the other way in their arbitrated settlement. Do you have a view on this? Should this be amended, or should we let the process take place?

Mr. Erin Weir: At United Steel Car, we were successful in the arbitration. The arbitrator ruled that in fact this health premium is materially similar to the old OHIP premiums and indeed that the employer had to pay it. I guess we lost most of our other arbitrations, and the reason we lost them is that the provincial government intervened and sort of said, "It's not a premium after all; it's a tax on individuals," and of course most arbitrators are deferential to the finance minister and the Premier when they say that. So certainly it would be extremely positive for workers in Ontario if the provincial government could perhaps revise that position and recharacterize it as a premium, which I think was its original effort in introducing it.

Mr. Tim Hudak: You also highlight the lack of progressivity of the Ontario health premium, how it hits

lower-income Ontarians and seniors the hardest. You make some other suggestions in terms of income tax rates. If the government doesn't go down that path—I don't think they're going down any path, but if they don't—would you tweak the Ontario health premium in terms of when it kicks in, at what levels?

Mr. Erin Weir: Yes, I think I would. I think it's possible to maintain the premium in general but eliminate it for people at lower incomes. There are also some design elements of the health premium that make it particularly regressive. It applies a stepped structure not to gross income but to taxable income after deductions. What this means is that people at certain income levels can use their deductions to move between the steps. I'll give you a specific example. By claiming an extra \$600 in RRSP contributions, someone making \$200,600 could reduce their premium from \$900 to \$750. So this savings of \$150 is basically an immediate return of 25% on their \$600 investment, on top of the income tax savings that they'd receive from this RRSP contribution.

I don't want to make a mountain out of a molehill here, because I recognize that most Ontarians don't plan their taxes quite that aggressively, but the point I make is that the minority of Ontarians who do have the wherewithal to plan their taxes that way are overwhelmingly concentrated at the upper end of the income scale.

Just to substantiate that, I'd note that those fewer than 5% of Ontarians making more than \$100,000 a year have about a quarter of provincial income, as I mentioned, but they have one third of RRSP contributions. So the people who are able to manipulate the structure of this health premium are the people who are already doing quite well. I think it's pretty striking that someone who, say, has some leftover RRSP contributions and is making more than \$200,000 a year, by simply claiming an additional \$600, could exploit the system and save \$150 in health premium right away.

The Chair (Mr. Pat Hoy): Thank you for your presentation.

Mr. Erin Weir: Thanks for your time.

The Chair (Mr. Pat Hoy): And we are adjourned.

The committee adjourned at 1157.

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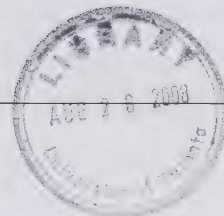
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ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 21 August 2008

Journal des débats (Hansard)

Jeudi 21 août 2008

Standing Committee on Finance and Economic Affairs

**Review of the Ontario
health premium**

Comité permanent des finances et des affaires économiques

**Examen de la contribution-santé
de l'Ontario**

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 21 August 2008

Jeudi 21 août 2008

*The committee met at 0905 in room 151.*REVIEW OF THE ONTARIO
HEALTH PREMIUM

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. We're here today for report writing on the review of the Ontario health premium.

Interjection.

The Chair (Mr. Pat Hoy): Mr. Barrett.

Mr. Toby Barrett: We just handed in our amendments and, as the committee knows, I did put forward a motion at our last meeting with respect to assistance for tobacco farmers. If I can get a ruling on that right now.

The Chair (Mr. Pat Hoy): All right, then, go ahead, Mr. Barrett.

Mr. Toby Barrett: I do recognize that it does not necessarily relate to the health tax and I know the parliamentary assistant, on behalf of the government, raised a concern about it. This is a stand-alone amendment, so we might as well either have discussion on it now or have a ruling.

The Chair (Mr. Pat Hoy): To begin with, you should read it into the record.

Mr. Toby Barrett: I could do it again; I did read it into the record at the last meeting.

The Chair (Mr. Pat Hoy): It's up to you if you want to read it again, as we're here today.

Mr. Toby Barrett: Sure; I'll read quickly. As formerly written and formerly presented, then, a PC motion entitled "Tobacco Farmers' Assistance":

"Whereas the McGuinty government has raised tobacco taxes three times since coming to office in 2003; and

"Whereas the McGuinty government has just received a \$156.9-million payment as a result of a civil settlement agreement with Imperial Tobacco Canada Ltd. and Rothmans, Benson & Hedges; and

"Whereas the precedent was set when this government partnered with the federal Liberal government to provide \$35 million under the previous TAAP program; and

"Whereas the McGuinty government has repeatedly told farmers that Ontario would be an active participant in a federally-led process to address the tobacco crisis,

"The Standing Committee on Finance and Economic Affairs recommends that the Ministry of Finance forward

Ontario's 40% share to the tobacco growers of south-western Ontario utilizing the \$156.9 million from the tobacco companies" civil settlement agreement."

The Chair (Mr. Pat Hoy): Do you want this to be a recommendation for the review of the health premium act?

Mr. Toby Barrett: I've tabled this twice now. I guess my intention was discussion and a vote from the committee, but I have tabled it as a stand-alone amendment.

The Chair (Mr. Pat Hoy): In that you stated it's a stand-alone, it is not part of our dealings today with the review of the Ontario health premium and it would be out of order. If you want to bring it up as a subcommittee point some day for the committee to consider, you could do that.

Mr. Tim Hudak: Chair?

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: If I could, I appreciate your ruling. This is something that Mr. Barrett has worked extremely hard on. It is an issue that is very, should I say, contemporary; it's happening today because the federal government, as I'm sure you're aware, recently announced it would use its share of the money that came out of the court settlement to put towards a tobacco pull-out program. If I understand correctly my colleague Mr. Barrett, it's important for the province to act relatively soon to send a signal if it will likewise dedicate those funds to helping the tobacco growers with their pull-out program.

So, Chair, given your ruling, perhaps we could have all-party consent just to—you have, I think, our commitment that we'll limit debate, because we want to get on with the health tax review, but if we had perhaps all-party consent just to discuss and perhaps send this helpful signal to the finance minister and the Minister of Agriculture.

The Chair (Mr. Pat Hoy): The request by Mr. Barrett is out of order. We're here for a review of the Ontario health premium in accordance with section 29.2 of the Income Tax Act, as per the whips' agreement.

0910

Mr. Tim Hudak: I would like to move that the committee does consider Mr. Barrett's motion as a separate item at this point in time.

The Chair (Mr. Pat Hoy): I've ruled that his request is out of order, however.

Mr. Tim Hudak: Fair enough, for the health tax premium review is your ruling—I don't necessarily agree

with the ruling, but it is your ruling. I'm asking you for consent to debate Mr. Barrett's motion at this point in time outside of the health tax review.

The Chair (Mr. Pat Hoy): The House has not allowed us to discuss issues outside of the review of the Ontario health premium in accordance with section 29.2 of the Income Tax Act, as agreed to by all three party whips. That's my ruling.

Mr. Tim Hudak: Just a point of clarification, Chair: Could you again clarify why the committee cannot discuss anything else aside from the health premium?

The Chair (Mr. Pat Hoy): We're meeting today on an agreement sent to us by the House leaders from the Legislative Assembly for the review of the Ontario health premium in accordance with section 29.2 of the Income Tax Act. We are to meet today, August 21, 2008, for the report writing of that particular aspect.

Mr. Tim Hudak: I just don't see in that that we can't discuss Mr. Barrett's motion.

The Chair (Mr. Pat Hoy): We're not allowed to, under the agreement of the House leaders and whips.

Mr. Tim Hudak: I will, Chair, though you, seek unanimous consent to discuss Mr. Barrett's motion at this time.

The Chair (Mr. Pat Hoy): No, we can't discuss it; it's out of order. What I did say to Mr. Barrett, however, is, if he wanted to seek a subcommittee meeting with this committee at some later date to discuss this issue, that would be fine. So, we will move on, as the motion was out of order.

We begin, then, report writing with the draft report.

Mr. Hudak?

Mr. Tim Hudak: If I could, and I apologize if you've already responded—I didn't check my e-mail this morning. I've stated my concerns, as have my colleagues, Mr. Barrett and Mr. Arnott, and Mr. Tabuns, who was with us before on behalf of the third party, with the nature of this review and that Premier McGuinty basically prejudged the hearings by calling this session of the finance committee redundant. The headline in the St. Catharines Standard that I read before: "Health Tax Review Is a Pointless Exercise"—because Premier McGuinty basically said that, no matter what the committee recommends, he's not going to change the health tax.

I think that was tremendous disservice and showed significant disrespect for the taxpayers who took the time to travel to Toronto to present to this committee. It was a tremendous disservice and lack of respect for the taxpayers who took the time to send in the written submissions to this committee. I want to express our strong disappointment with the Premier for prejudging and prejudging these hearings.

That gives me the expectation, and judging by the solitary motion that the government has put forward, that they have no intent whatsoever of reflecting what the committee has heard. What we tend to do in these circumstances as the official opposition is prepare a dissenting report, as we have done in the past with the prebudget consultations.

I wonder, Chair, just so our staff can get under way as they follow through on our report writing today, if we had a deadline for when that dissenting report would be due.

The Chair (Mr. Pat Hoy): This matter could be and should be reviewed at the end of the day so that the report writing is complete, and then those who want to file a dissenting opinion can do that based on what they hear today. I'd be willing to entertain a date for that after that aspect. That's rather the normal procedure, similar to prebudget hearings, that we would get a date for that after we hear—should we complete today's report writing today.

Mr. Tim Hudak: With respect, Chair, and I hope you will consider this, whether at the end of the committee or before that: I think, as I indicated in my e-mail, we would request a week's time to submit the dissenting report. So a week from today; I think we could get that material in by then. I bow to your wisdom as to when the dissenting report needs to be due for publication purposes, but we would request one week's time.

The Chair (Mr. Pat Hoy): We can discuss that at the end of the day, if that's all right. I think it's proper to do that so that everyone knows what is going to go into the report before they decide on what they might want to say afterwards. With that, I agree that we will discuss that at the end of the day.

Mr. Gilles Bisson: Just to follow up on the point made by Mr. Hudak in regard to the comments by the Premier, it seems to me that he's prejudging what the result of the committee's findings would be. We have government members, strong individual members in their own right, who may disagree or agree with the move that was made by the government with the health tax. We have members of the opposition who will agree or disagree. For the Premier to basically say, "I don't care what this committee says; at the end, I'm going to keep it" I think is borderline on contempt for the process this committee goes through. I just want to put that on the record.

I don't think it was a very wise comment on the part of the Premier. The Legislative Assembly has responsibilities through its committees to deal with matters such as this. For him to prejudge what this committee will or will not do I think borders on contempt. I would just give that warning to the Premier. Maybe at the end of this, we may want to move a motion to that effect.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Tim Hudak: On Mr. Bisson's point—and I appreciate and agree with the point that he's making—I remember that previously in the Legislature, various ministers had been found to be in contempt of the Ontario Legislature by prejudging a vote by saying that a bill would have an impact when the bill had not actually gone through its final vote. To the clerk, I don't know if this has been done before, but can the standing committee find a Premier or cabinet minister in contempt for prejudging the findings of a committee before they begin their work?

The Chair (Mr. Pat Hoy): On your particular request, we might have to take a five-minute recess. We'll recess for five minutes.

The committee recessed from 0920 to 0927.

The Chair (Mr. Pat Hoy): The committee will now come to order again. In regard to the last question, we are here only to review the Ontario health premium, what would be reported back to the House. Whatever action would flow from that would be after that time, so we won't ascertain your motion.

Mr. Gilles Bisson: I didn't hear the last part, sorry.

The Chair (Mr. Pat Hoy): We are only here to review the Ontario health premium, in accordance with the agreement of the whips. The review—and that is what it is: a review—will be reported to the House. Whatever action would be taken will happen after that.

I might remind you that we haven't even gotten to the review part yet or any motion other than this one here, which precedes what—we haven't presented this to the House yet.

Mr. Tim Hudak: Just to make sure I understand your ruling: Is it possible for a committee to hold the Premier to be in contempt of the committee's work?

The Chair (Mr. Pat Hoy): No, it is not possible.

Mr. Tim Hudak: Okay. Is it possible for a Premier or cabinet minister to be in contempt of the committee?

The Chair (Mr. Pat Hoy): If a Premier or cabinet minister was a witness before a committee, the question of contempt would be decided by the Speaker of the House, not the committee.

Mr. Tim Hudak: So if a member of the standing committee wanted to charge the Premier with contempt, he or she would have to raise a point in the Legislature?

The Chair (Mr. Pat Hoy): Yes.

Mr. Tim Hudak: So he wouldn't have that ability, then—and then the Speaker would rule?

The Chair (Mr. Pat Hoy): The Speaker would have the right to make a ruling, yes.

Mr. Tim Hudak: So basically, your ruling is that we cannot do that today, but we would be permitted to do so when the Legislature comes back into session—to hold the Premier in contempt of the Standing Committee on Finance and Economic Affairs.

The Chair (Mr. Pat Hoy): Yes, that's my understanding.

Mr. Ted Arnott: But would it not be possible for the committee to pass a motion suggesting that the Premier has held the deliberations of the committee in contempt?

The Chair (Mr. Pat Hoy): No, because, as I stated, we're here to review the Ontario health premium. We are reviewing the health premium.

Mr. Ted Arnott: Would it not be possible for the committee to move a motion suggesting that the Premier has prejudged and prejudiced the committee's deliberations, given the fact that he stated publicly before Christmas that the committee exercise was completely redundant?

The Chair (Mr. Pat Hoy): No, we could not.

Mr. Ted Arnott: I don't understand that.

Interjections.

The Chair (Mr. Pat Hoy): Based on the second question coming from Mr. Arnott, we'll take a five-minute recess.

The committee recessed from 0935 to 0945.

The Chair (Mr. Pat Hoy): The standing committee will come to order again. Mr. Bisson, you had the floor. I think you have something there now for the committee.

Mr. Gilles Bisson: Yes, I have before me a motion that I've passed on to the various members of the committee. It reads as follows:

"I move that, in the opinion of the Standing Committee on Finance and Economic Affairs, the Premier prejudiced the hearings and works of this committee."

The Chair (Mr. Pat Hoy): Any comment?

Mr. Gilles Bisson: I have lots of comments. It's fairly clear. What gives rise to this motion are two things—first of all, the comments made by the Premier in regard to the work that this particular committee was going to do. What he said was that what this committee was going to do, as far as any work that it did or recommendations, was redundant and that no matter what happened, as far as what we heard from the public of Ontario through this committee process, he was not going to change in any way, shape or form the actual health tax. A number of people came before this committee and made comment—and I'm just going to go to that very quickly, and we'll have more chance to debate it.

But the second thing that gives rise to it is the motion that I got yesterday, along with everybody else, from the government. It says, "The Standing Committee on Finance and Economic Affairs recommends that, after hearing from a number of Ontarians during the public hearing phase of this review that health care in Ontario is improving...." The inference is that everybody loves this tax. I've talked to Mr. Tabuns, who sat on this committee for the third party during the time of the hearings, I've gone back and I've read the submissions that were given, I've looked at what research has given us, and that's not at all what people said. The vast majority of people who came before this committee said that they were opposed to this tax, that they wanted it reduced or they wanted it eliminated; they wanted to get rid of it. Clearly, what the public has said is not being reflected by way of what the Premier said way back when he made those comments in St. Catharines and certainly is not reflected in the motion that the government's going to put forward. Before we start writing this report, we've got to make this particular point clear, and I'll speak to it once other people have had a chance to rebut.

Mr. Ted Arnott: I would like to indicate that I am in complete agreement with what Mr. Bisson said with respect to this motion. Perhaps we're not going to agree all the time, but on this issue I think we're in complete agreement and concurrence. I would suggest that this motion, as written, is something that all members of this committee will want to support, because the case is very clear.

The article which appeared in the Kitchener-Waterloo Record on December 20 last indicated quotes by the Premier where he said that the review of the health tax was “redundant.” When the Premier of the province, with a majority government, makes a public statement to that effect, certainly that sends a signal to all members of the committee who are doing this work that he has already made up his mind, that he has really no intention of changing his mind, and I would suggest that he has prejudiced the committee’s deliberations in this regard.

I don’t know how any member of the Legislature or any member of this committee could argue that that’s not the case, unless the Premier was misquoted. If that was the case, I’m sure that we would be informed that was the case, but I don’t believe the Premier has made any public statement or in any way suggested that he was misquoted in this article in the Kitchener-Waterloo Record on December 20, 2007. Therefore, I would certainly encourage all members of the committee to support this motion, to make a statement and make a point that, unfortunately, this whole exercise has been prejudiced by the Premier’s comments.

Mr. Wayne Arthurs: I won’t be supporting the motion that’s before us. I’m satisfied that with the work from this side of the floor at the committee, in the context of listening carefully to the delegations we had here, the submissions that were made, having heard anecdotally from our constituents as part of an ongoing anticipation of a review, having listened carefully to those, we’ll be making determinations based on what we feel is in the best interests of the Ontario health premium as part of this. Whether comments by the Premier, a minister or members from all sides in the variety of comments that have been made, they could be interpreted as maybe prejudicing the work of the committee. But whether that’s keeping a premium, whether that’s removing it or whether that’s phasing it out, one could argue, I suspect, that any comments could be considered prejudicial to the committee. I think committee members have to look at all the comments that have been made here, in the Legislature and by their constituents in coming to a conclusion, but I don’t believe that any individual’s comments have prejudiced the work of this committee.

Mr. Gilles Bisson: I listened to what was just said by the parliamentary assistant. He’s saying that somehow the government side of the committee listened and they’re going to reflect what they heard in a report. Nothing could be further from the truth.

If you look at what was said by the presenters that came before this committee, it’s very clear. The Association of Iroquois and Allied Indians was very clear that this particular tax is contrary to section 87 of the Indian Act. Look at Mrs. Mary Lou Ambrogio, who came before this committee and called for the elimination of the tax. The Canadian Taxpayers Federation is calling for the end of the tax. Take a look at Mrs. Beverley MacDonald, who sent a written submission. She calls for the ending of the tax. I’m just going through some of them. Basically, everybody who came before this committee,

except for one, said that they could not measure outcomes that were positive to health care services as a result of this tax, that they felt this tax was regressive in the way it was being applied, that the people at the lower-income scales were having to pay a greater burden of that tax than people at the higher-income scales, and people either called for the elimination of it or talked about reducing the tax or changing the way it’s collected in one way or another, at least to make it fairer.

So for the government to say today, through the parliamentary assistant, “We listened to what was presented and we are going to reflect that in a report,” flies in the face of the motion that was given to us yesterday by the government that basically says that this tax has led to lower waiting times—that’s not what this committee heard; that this tax led to improvement to access to health care—that’s not what we heard in this committee; that investment in public care to promote health care prevents illness—well, we can all agree with that part of it, and I don’t have a problem with that point; and that this tax led to the investment in the modernization of health care infrastructure—it’s general revenue and regular taxation that did that. So clearly, what was said to this committee was that this tax is regressive, and that this tax should either be eliminated or modified in some way.

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For the Premier to have said, way back when, that this whole process that we’re going through now is “redundant,” as in one quote, and in the other quote, that “it begs the need for the review itself”—in other words, the exercise we were going through wasn’t necessary—I think flies in the face of what this committee’s responsibility is. That’s why I’m saying that he’s prejudicing the outcome.

It seems to me that in a democratic society—and this is my final point—the public has the right to hold their public officials accountable. We do that in a number of ways: yes, by election every four years through the fixed dates that we have here in Ontario, and ultimately that’s the best one. But in between, people do have the right to come before a standing committee and let their views be known, or to meet with their MPPs or cabinet ministers or the Premier, or to protest or whatever, to allow expression of support or condemnation of a government initiative. In this case, this committee heard from the public, and 99% of the public who came before this committee or gave written submissions was opposed to what the government has done and calls on this committee to make a recommendation that changes be made. This government is saying by way of this motion, “No changes will be made. In fact, everything is wonderful in Dalton McGuinty’s Ontario,” and we should just all move away and be happy, as they say in the song. That’s not the case, and that’s why I moved the motion.

The Chair (Mr. Pat Hoy): Mr. Hudak.

Mr. Tim Hudak: I guess hope always springs eternal in the Liberal backbenches that if they continue to spout the line that Premier McGuinty walks on water, can do no wrong, maybe they’ll be elevated some day to a more

senior position. I think some earn that on merit, as opposed to constantly catering to everything that Dalton McGuinty has come up with.

Clearly, Dalton McGuinty prejudiced the committee findings. He called this committee work "redundant." He said that every member who took the time to listen to deputations, took the time to bring forward amendments and motions, took the time to carefully consider what we heard from taxpayers, basically wasted his or her time. He showed incredible contempt for the taxpayers who took the time to travel to Toronto to make their presentations or, at home, took the time to make some very good and thoughtful written submissions. He called the committee "redundant." He said, "It begs the need for the review itself. The only need for the review at this point in time is a technical one." Clearly, Premier McGuinty gave his marching orders to the members of the Liberal caucus not to stir the pot but to keep the health tax as it is, and no matter what people say, to ignore them and come up with the kind of fluffy resolution that Monsieur Bisson was just lampooning.

I do not believe that a single delegate before this committee or in written submission endorsed the health tax as is. We heard a range of changes, from abolishing the so-called health tax to phasing it out to not charging it to First Nations individuals. It was suggested to this committee that military personnel, who don't even use the health care system—they're paid for by the federal government—that they not pay the health tax. I've had my colleagues Mr. Yakabuski and Ms. MacLeod bring forward resolutions on military personnel and seniors. We heard a very important presentation from a senior, who said that when seniors are splitting their pension income, they're being punished by the health tax because they're now paying two sets of health taxes, greater than it had been for income splitting for pension income. Clearly that was never the intention of Minister Sorbara when he set it up.

Despite these deputations, despite these well-thought-out recommendations to the committee, the government basically puts its hands over its ears, its eyes and its mouth and says, "Everything is fine. We're going to keep it as is." Clearly that is the outcome of Dalton McGuinty saying that this committee has no purpose other than a technical one, that our work is redundant. That's a tremendous disservice to taxpayers and to the work of committee members of all parties. Clearly, Premier McGuinty prejudiced the hearings and the work of the finance committee.

The Chair (Mr. Pat Hoy): Further comment?

Mrs. Laura Albanese: Can we have a copy of the article that Mr. Hudak is referring to?

The Chair (Mr. Pat Hoy): Sure.

Mr. Gilles Bisson: The difficulty that we find ourselves in now as a committee is that we have to write a report that the Premier says he's going to ignore unless it's the outcome he wants. I guess that's the conundrum I find myself in, along with other committee members. I've been on both sides of the House: I've sat in govern-

ment and I've sat in opposition. I understand the pressure that government members find themselves in, who, as Mr. Hudak says, are vying for cabinet positions or parliamentary assistant positions. But at the end of the day, one thing that I've learned in my 19 years here is that what people reward us for is doing what's right. That's what this is all about. If there's cynicism in Ontario—and not just Ontario, because I don't pretend that cynicism about politicians exists only in this province—we add to it by doing this kind of thing. That's really what's sticking in my craw today.

I'm saying to myself, people have taken the time to come and present to this committee, to give their views as to why they agree or don't agree with this particular tax. The majority of people didn't agree. Actually, it was pretty unanimous, except for the one comment by one of the organizations, and even then, they didn't support it. They were saying to let the employees pay, not the employers. So, clearly, they didn't support the tax itself.

My point is that we find ourselves here today having to write a report that, at the end of the day, the government is basically going to ignore because the Premier has already decided what the outcome of this is going to be.

My second point is, no wonder voters are cynical toward politicians when we see this kind of thing happening. All of us have a responsibility, I think, as legislators, either opposition or government side, to try to reflect, at least in a report, what the people have said. For us to end up at the end of this process today with a report that says something contrary to what we heard, I think it's going to be a bit of a slap in the face to all of us as politicians and representatives, in the sense that we're saying, "You can come before this committee and say what you want, but at the end of the day we're just going to ignore what you said and give a different view."

Again, the reason I moved this motion today was really in light of the motion that the government plans to introduce that is basically going to attach itself to this report, and which is giving a completely different view of what the public said when they came before this committee.

If the government decides to ignore the report of this committee, you can do that by majority in the House, because all we're going to do is go to a vote when this committee is done. It's going to go into the House. We would be voting on acceptance of that report when it gets into the House. You have, then, a responsibility, as all of us do, to vote one way or another.

But for us to write a report that at the end of the day is going to ignore what people have to say—I want no part of it. I don't think that's what democracy is about. Certainly, I didn't come to this Legislature to not respect what people have to say when they come before this Legislature to say what they feel about a government initiative one way or another.

The Chair (Mr. Pat Hoy): Further comment? Mr. Hudak.

Mr. Tim Hudak: Sadly, this has been a sham process from the beginning. It was a sham process from the first

day that Dalton McGuinty said that no matter what the committee recommends, he's not changing the health tax.

We did listen in good faith to the deputations, we read their reports, but obviously the sham continues, because the single government motion ignores altogether the recommendations that were brought forward by the various groups and individuals.

Sadly, as well, if the government members vote against this very accurate motion by Monsieur Bisson, it shows that this process is a sham through and through, and you wonder why members bother participating in a process that is this much of a sham and an embarrassment to the committee.

Mr. Gilles Bisson: Just a final point: I want to be assured that if this committee writes a report, the report is going to accurately reflect what people had to say, and I don't get the sense that's what the outcome is going to be by way of the motion that we were given by the government. So I'd like to get an indication from the parliamentary assistant as to whether he's prepared to withdraw this motion and to allow this committee to actually write a report that reflects what people had to say and allow the House to adopt or reject the report when it goes into the House.

The Chair (Mr. Pat Hoy): The motion hasn't been moved, so it can't be withdrawn.

Mr. Gilles Bisson: Okay, we'll get to that after.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour of the motion?

Mr. Gilles Bisson: Recorded vote.

Ayes

Barrett, Bisson, Hudak.

Nays

Aggelonitis, Albanese, Arthurs, Lalonde.

The Chair (Mr. Pat Hoy): The motion is lost.

Mr. Gilles Bisson: I'll go back to my previous point that I just made. I'm prepared to sit here till the cows come home to write a report that's going to reflect what people had to say. People took the time to either write a submission and send it to this committee or took the time to come to this committee in order to present. There were thoughtful presentations made by a number of people. I want to know that, at the end of the day, the report we write is going to at least reflect what we heard. If the government decides to ignore that when it comes to the House as a vote when we report to the House, that's their choice.

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So I again want to ask the parliamentary assistant straight out: Is the government prepared not to introduce government motion number 1 and to allow this committee to write a report that actually reflects what we've said, yes or no?

The Chair (Mr. Pat Hoy): Our next order of business would be to work on the draft report and any comments

that might flow from that, and then we'll move to motions. So I'd like to move to the draft report.

Mr. Tim Hudak: Monsieur Bisson has some excellent points. I know that my colleagues Mr. Arnott and Mr. Barrett have talked about it too. We have, the PC caucus, taken the time to draft some amendments to Mr. Johnston's report. I'll move them in good faith and hope that the government members will at least agree to amend the report in accordance with what we heard at committee. Again, Chair, I fear that if the government members continue to shut down any real recommendations around the Ontario health premium—one wonders why anyone is wasting their time if Dalton McGuinty is bound and determined to make this a sham review.

Chair, I want to commend Mr. Johnston for his work in the report—a very capable civil servant; one of my favourites, as a matter of fact, through the Legislative Assembly. I do have some recommendations, however, to improve the report to reflect what we heard at committee.

I move that, after the second paragraph of the section entitled "Introduction," that the review of the Ontario health premium draft report be amended by adding the sentence, "Premier McGuinty prejudged the work of the Standing Committee on Finance and Economic Affairs by stating that the health premium would not change no matter what the committee recommended."

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: I think we've beaten this one down. It's pretty good. It's very clear that Premier McGuinty had no interest in listening to what the deputations had to say, no interest in listening what opposition members had to say, and no interest in listening to what government members had to say as he constructed this sham process of a review. I think that if we're making recommendations as a committee to the Legislature, we should damn well let the House know about that.

Mr. Wayne Arthurs: It would be my view that this motion is not significantly different from the one that we just dealt with, either "prejudged" or "prejudged"—they're close both in spelling and probably in intent. I will not be supporting the motion as it has been presented to us.

Mr. Gilles Bisson: Mr. Hudak makes the point that people took the time—this is what really bothers me with this whole process. The government introduced this tax some years ago. As part of the introduction of that tax, there was a clause within the bill that said that the committee at one point had to review it. The public took the time to come and say what they had to say about this particular tax. It was clear, and the report indicates that, to a degree. Everybody who came before us was opposed to the tax on a number of fronts. The biggest one is that it's a regressive tax: The lower the income you are, the bigger the percentage of it you pay as total income. Others argued that the tax didn't show measurable outcomes to the increase in health care services in Ontario. And basically everybody said, "Get rid of it." The closest that we got to keeping it was somebody—I think it was the

Windsor hospital—who said, “Make sure that it’s the employees who pay and not the employer, because of the collective agreement implications.” So clearly, at the end of the day, the public is opposed to this.

The PC caucus moves an amendment to the report that I think is accurate, and I read it again just so that we’re clear: “Premier McGuinty prejudged the work of the Standing Committee on Finance and Economic Affairs by stating that the health premium would not change no matter what the committee recommended.” I think that needs to be in the report to clearly reflect the situation that we find ourselves in, and I would support that motion. If the government is saying, “No, we’re not going to accept that,” that tells me that the fix is in; that the government, at the end of the day, has decided that it’s basically not going to listen to the public. I’ll have no part of that. That is not what democracy is all about.

Mr. Ted Arnott: I would encourage all members of the committee to support this, but I just had one question for the parliamentary assistant. I was wondering if he could explain to this committee how he would respond and how he thinks that the Premier’s comments did not prejudice the work of this committee. Exactly how does he think that the Premier’s comments did not prejudice the work of this committee?

Mr. Wayne Arthurs: Just very briefly, I think I said earlier that it’s my view that we hear any number of comments from any number of individuals in and outside of the Legislature, and those in the Legislature, on all sides of the House, with a great variety of opinion, are just that: They are opinion. Certainly, those are matters that all would take under consideration in making a determination on what changes you feel are necessary. I don’t think the Premier is exempt from having an opinion in that regard, as would be the interim leader or the House leader from the official opposition or the leader of the third party or others who would have an interest in this, including all members of the Legislature: front rows, back rows, backbenches, opposition. Those were the comments I made earlier in general, and I still stand by those.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Tim Hudak: Recorded vote.

The Chair (Mr. Pat Hoy): A recorded vote has been requested.

Ayes

Barrett, Bisson, Hudak.

Nays

Aggelonitis, Albanese, Arthurs, Lalonde.

The Chair (Mr. Pat Hoy): The motion is lost.

We’ll move to PC amendment number 2.

Mr. Tim Hudak: At the beginning of the first paragraph in the section entitled “Legislative History,” I move that the Review of the Ontario Health Premium

Draft Report be amended by adding the following sentence:

“The Ontario health premium was a key broken promise of the McGuinty government.”

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: Obviously, I’m disappointed in the vote that just took place. I mean, it was a no-brainer. Clearly, Dalton McGuinty prejudiced the findings of this committee by prejudging the outcome, by calling the committee work redundant. To my friend the parliamentary assistant, this wasn’t the guy working down at Avondale who said, “I don’t care what the committee says”; this was the Premier of the province of Ontario, who sits in cabinet, who heads cabinet, who basically said, “No matter what the committee says, I ain’t listening.”

Mr. Ted Arnott: The imperial Premier.

Mr. Tim Hudak: The imperial Premier, as my colleague from Wellington says.

The second motion, again, is a factual motion. This isn’t dressed up with partisan language. It certainly reflects what we heard at the committee, that the Ontario health premium was a key broken promise of the McGuinty government, and I think that if we are going to make an honest report to the Legislative Assembly despite Premier McGuinty’s attempt to shut us down, this sentence should be included.

M. Gilles Bisson: C’est clair, monsieur le Président, que le gouvernement, en opposition, quand ils se sont présentés aux élections de 1999, étaient très clairs dans les promesses qu’ils ont faites, spécialement M. McGuinty, qui avait une promesse qu’il n’était pas pour augmenter les taxes d’une année à l’autre. Cela nous rappelle un peu le président, M. Bush, qui a dit, « Read my lips. » Quand ça venait à son élection des années passées, le premier ministre de l’Ontario aujourd’hui, en ce temps-là le chef de l’opposition, a clairement dit qu’il n’était pas pour augmenter les taxes de la province de l’Ontario, et jusqu’à un certain point, un gros point, quand on regarde ce qui est arrivé, il a certainement brisé cette promesse. Il a non seulement augmenté les taxes, mais il a créé une nouvelle taxe qui était complètement opposée à la promesse qu’il a faite pendant les élections qui ont précédé son élection au premier terme comme gouvernement.

Clairément, ce qu’on voit, c’est que la motion qui a été mise en place par les membres de l’opposition fait du bon sens dans le sens qu’au moins, on a besoin de dire dans ce rapport que le gouvernement a brisé sa promesse. Je pense que c’est très raisonnable comme amendement, et moi-même, je vais supporter cet amendement de M. Hudak.

The Chair (Mr. Pat Hoy): Further comments?

Mr. Ted Arnott: I’d just like to add a few comments to this, because I can recall in the 1999 election when Dalton McGuinty, then Leader of the Opposition, signed the taxpayer protection pledge. Part of that pledge was a commitment not to raise taxes except if the government had a referendum and there was approval from the people for the tax increase.

Of course, the Liberals didn't win that election, but he continued on as leader, and in the 2003 election he signed the taxpayer protection pledge again, again pledging not to raise taxes unless there was a referendum in which the people who turned out at the referendum vote supported the specific tax increase that was being proposed.

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As we know, in the very first budget that the Liberals brought in once they formed the government, they brought in the largest tax increase in the history of the province of Ontario, including the Ontario health tax, or what they called at the time the "health premium." We also know that the money goes directly into the consolidated revenue fund. Even though the government would lead the people to believe that the money is going to health care, it is going into the consolidated revenue fund, upon which all of the government's programs are funded—in fairness, including health care, but there is no direct tie between the health tax money and health care. That fact has been established.

We also know that in the lead-up to the 2007 election, the Premier did a public mea culpa, where he said—I don't know if he used the words "I'm sorry," but I recall him saying publicly, "I hated having to break that promise." I believe he was making that statement hoping to draw whatever public response towards him before the election as opposed to having it during the election.

I would submit to you, Mr. Chair, that if the Premier were perhaps here today as a member of the committee, he might very well support this, because he's already publicly apologized, in essence, for the fact that he broke his promise. This motion is simply a statement of fact that this was a major broken promise of the McGuinty government, and I'm quite sure that if the Premier were here, as I said, on a good day, he might very well acknowledge the fact that he did break this promise. He's already done so publicly.

Mr. Wayne Arthurs: I'm quite satisfied with the draft report by Mr. Johnston in the context of the legislative history of the Ontario health premium. I want to thank him for that.

Let me just note, though, that this was key to keeping a promise to improve health care in the province of Ontario. It was necessary but key to keeping that promise. I won't be supporting the motion that we have before us.

Mr. Toby Barrett: Just to follow up on that: to break a promise to keep another promise—I think it's somewhat disingenuous that this is key to keeping a promise with respect to health care. This money goes into the consolidated revenue fund.

I think there's an opportunity here through this committee for all of us to perhaps get this burr out from under the government's saddle. This has been out before the public for five years now. Many, many people, certainly in my riding, do recall the then leader of the Liberal Party on television screens in people's living rooms saying that he would not raise taxes. He seemed to indicate that in the last election as well, that he would not be raising taxes. I just feel that all of us, when we run in elections

and go from door to door, do make commitments, and to have a significant commitment like this overturned reflects on all of us. I think it's an opportunity for the committee to maybe put this to rest.

Mr. Gilles Bisson: Well, I've got to say, I am a little bit surprised at the comments by the parliamentary assistant: "We broke our promise to keep a promise"? I've heard lots of explanations by way of what we hear at committee and what we hear in the Legislature, and that was a good one.

Listen, what's clear is that he took the pledge. Mr. McGuinty could have chosen, in the run-up to his first majority government, in that election, not to sign a pledge. He knew what the numbers were; he was a member of the Legislature, as some of us were at the time. He sat in committee, understood what the finances of the province were, and put in place a program or set of election promises based on the fiscal capacity of Ontario and its ability to pay for those services that he was promising within his platform. Certainly I was a part of a party, the New Democratic Party, that did the same, and we took quite an opposite tack. We said, "Public services are important—and yes, you've got to pay for them. If that means to say that you have to increase taxes to do so, sometimes, regrettably, that's it. But do you want health care paid for by the public taxpayer, or do you want to pay health care in the way that Americans do, out of their credit cards or their bank accounts?" Clearly, Ontarians and Canadians have chosen to have free access to public health care. So there are choices that we make.

My point is that there was a pledge out there, and the pledge was, "Do you promise not to raise any taxes?" and Mr. McGuinty said, "I signed the pledge and I won't raise any taxes," knowing full well what the fiscal capacity of Ontario was to keep his promise, should he form the government. He then broke that promise, and then the parliamentary assistant said, "Oh, well, he broke that promise in order to keep another promise to provide better service for health care." Well, we knew before the election that there was a huge fiscal gap in Ontario vis-à-vis the amount of money that the budget attributed to health care in this province. The previous government had reduced spending in some areas that had really constrained the ability to provide the kind of public services that the majority of Ontarians want.

So Mr. McGuinty made a clear promise. He said, "I won't raise taxes," like George Bush said, "Read my lips: I won't raise taxes." He got elected and he didn't only raise the tax; he created a brand new tax. Then he went into the next election saying, "That was the hardest thing I ever had to do. I wish I hadn't had to do it." Well, that's not good enough.

For the parliamentary assistant to say that they're not going to accept this particular amendment to the report, which clearly just says what historically took place vis-à-vis this tax—and all that the opposition is asking for is that we insert the following sentence in the section of the report to say that the Ontario health premium was a key broken promise of the McGuinty government. There are

the facts, as they say in good English. That is what people said when they came before this committee, so for us not to adopt that, I think, is a disservice to the people who came before us.

The last point I'll make: Again, I've learned through experience that a politician's word is probably more important than anything else. I was a member of the government under Bob Rae, who did a lot of things that I'm very proud of. But I'll tell you, one of the things that hurt us then in 1995, and we suffered for it for a long time, were some broken promises. Mr. Rae had said he was not going to introduce Sunday shopping, and then he introduced Sunday shopping; it was a broken promise. Those were the types of actions that I think led to the demise and the fall of the Rae government in 1995.

The public says, "We're prepared to forgive governments for some of their wrongdoings, but don't break the pledge." That's what the Premier did in this particular case.

Again I say, I'm proud of much of what we did when we were in government, but clearly those broken promises haunted us and haunt us till today. If I've learned anything in politics over 19 years, it's that you've got to keep your word.

This report has to reflect what actually happened legislatively and by way of history.

The Chair (Mr. Pat Hoy): Further comment? Mr. Hudak.

Mr. Tim Hudak: Frankly, this is a fact: The Ontario health premium was a key broken promise of the McGuinty government. The Liberal members may as well deny that gravity exists, they may as well say that the world is flat, so as not to disappoint or offend Dalton McGuinty. Clearly, it's a fact; clearly, it's what we heard at committee; and clearly, it should be included in our report.

Mr. Wayne Arthurs: As I said earlier, I'm satisfied with the report in the context of legislative history, as prepared by Mr. Johnston. I probably should have quoted from, rather than paraphrased, the report in the context of Minister Sorbara, minister of the day, in his budget speech of May 18, 2004. I can read the whole thing, but I'll just read part of it.

"But in the context of the deficit, to keep our promise to improve health care, to serve a growing and aging population, when wait times are too long and the pressure on public health is greater than ever, it is the right thing to do. It's the fairest way to fund the necessary investments we need."

I probably should have referenced, rather than paraphrased, the direct quote. I think the legislative history is accurate. That's not the entirety of the minister's speech, obviously, but it speaks to the matters of the legislative history that reflect on the deficit and the need to keep a promise for improved health care.

Mr. Gilles Bisson: Again, to the parliamentary assistant, that's not the facts, as we heard from the submissions of this committee. People who came before this committee said that they don't find any evidence that health

care services have improved, by way of shorter wait lists or better services, because of the imposition of this health tax. People are saying, "Government generates revenue by way of all forms of other taxes, and if there's any improvement, most of it is through that." The tax that was raised in this year went into general revenue, and there's no way of measuring whether the money collected by the health tax actually goes to the health system. It goes to general revenue, so it could end up at training, colleges and universities as well as it could end up at the Ministry of Northern Development and Mines. So for the parliamentary assistant to say that the motion that has been put forward by the opposition that states the historical fact of what happened, which is that the government, through Mr. McGuinty—at that time, the leader of the official opposition—took the pledge and said, "I will not raise taxes," and then got elected and raised taxes, and broke that pledge and broke that promise—not to put that into the report, I think, does not reflect the actual true history of what happened.

1020

The Chair (Mr. Pat Hoy): Thank you. Further comment?

Mr. Tim Hudak: Recorded vote, Chair.

Ayes

Barrett, Bisson, Hudak.

Nays

Aggelonitis, Albanese, Arthurs, Lalonde.

The Chair (Mr. Pat Hoy): The motion is lost.

Interjections.

The Chair (Mr. Pat Hoy): Order, please, particularly during a recorded vote.

Now we'll move to the third PC amendment to the draft report. Mr. Hudak.

Mr. Tim Hudak: I move that the Review of the Ontario Health Premium Draft Report be amended by striking out the words "a potential impediment to the introduction of the proposed health premium" in the section entitled "Bill 83, the Budget Measures Act, 2004" and replacing them with "a legislative requirement to hold a referendum to get taxpayers' approval for the Ontario health premium."

The Chair (Mr. Pat Hoy): Comments?

Mr. Tim Hudak: Thank you, Chair. Again, this is something that is a fact, like the broken promise, like gravity, like the world being round. The fact of the matter is that the Liberal government, when they chose to bring in the Ontario health premium, were required, under the Taxpayer Protection Act, to hold a province-wide referendum. This would have been an opportunity to go to the people, to make their case, to say, "We have this health premium. We promise we'll put into health care," and have an up or down vote, aye or nay, a yes or no, and then, if they won the vote, they could have proceeded.

In another broken promise, and in a very cynical move, the McGuinty government instead decided to amend the Taxpayer Protection Act to remove the requirement for a province-wide referendum for a tax increase. Again, there's no fluff language. There's no partisan language in this; I am simply stating a fact, that the committee heard a fact of history that the Liberal government removed the requirement to hold a referendum on the Ontario health premium.

Mr. Gilles Bisson: I first have a question to the mover of the motion, Mr. Hudak. Was that a submission made to this committee, to have a referendum? I didn't see that in the actual submission.

Mr. Tim Hudak: My recollection was that the Canadian Taxpayers Federation had talked about this point, that it violated the Taxpayer Protection Act. You can correct me if I'm wrong, but that was my recollection. Again, I think we'll remember from our time in the Legislature that if a government of the day was bringing in a tax increase or a new tax that they had not campaigned upon, under the Taxpayer Protection Act they would be required to hold a province-wide referendum. My colleagues will probably also remember that Premier McGuinty did sign a pledge to uphold that Taxpayer Protection Act before the election of 2003.

Mr. Gilles Bisson: Then a question to Mr. Johnston, our legislative researcher: Was this an actual recommendation from the federation in their submission, that a referendum be held—this particular notion?

Mr. Larry Johnston: No. This is just part of the legislative history, in terms of how the health premium came to be.

Mr. Gilles Bisson: I just want to be clear on something: The taxpayers' federation did not come before this committee and say, "We want a referendum"; they didn't allude to needing a referendum, Mr. Johnston?

Mr. Larry Johnston: Not from my reading of the taxpayers' submission.

Mr. Gilles Bisson: Okay. That's what I thought.

Mr. Tim Hudak: Chair, to be clear, it was not a recommendation of the CTF, but this is a point that the CTF has consistently made, that there should have been a referendum at the time. They're not calling for a new referendum, but there should have been a referendum at the time to allow the OHP. I think that when we're discussing legislative history, it's important to record that fact, that the government changed the Taxpayer Protection Act essentially to remove the requirement for a referendum.

Mr. Gilles Bisson: Well—

The Chair (Mr. Pat Hoy): I have Mr. Arnott.

Mr. Gilles Bisson: Okay.

Mr. Ted Arnott: Mr. Chairman, just for the benefit of the committee: My recollection is, with some degree of certainty, that the Canadian Taxpayers Federation has consistently called for a referendum on any tax increases going back at least 13 years—going back to 1995. I also know with certainty that Dalton McGuinty signed the taxpayer protection pledge in 1999 in the lead-up to the election. He also signed it in 2003. In both cases, the

pledge included a commitment not to raise taxes unless there was a referendum that was supported by the people for the specific tax increase that was proposed.

Mr. Wayne Arthurs: I'm satisfied with the language as drafted by Mr. Johnston in the draft report as presented, and thus won't be supporting the amendment.

Mr. Gilles Bisson: This is where I guess the two opposition parties will have to disagree. I'm of the view that this report has to reflect what was said. I understand that the taxpayers' federation has that position, and I understand that the PC caucus favours referendums in these types of circumstances, and that's fair; that's what democracy is all about. But it's not, as I understand, what the taxpayers' federation told us, and so therefore I don't think that we should insert that notion in the report.

Second of all, I want to say clearly that as a New Democrat I do not support the idea of having referendums on tax initiatives. We had that experience and we saw what happened in the United States: A very powerful nation, a very compassionate and caring nation, a very great nation, at times handcuffs itself in its ability to do what's right by way of its citizens because of referendums. In some states, anybody, depending on where you live, can insert fairly easily in a general election for their Congress a referendum calling on the abolition of a tax or calling on the abolition of a program. People get whipped up, make themselves a decision, and at the end of the day, to quote the words of somebody—and I forget who said this—"Sometimes we need to protect ourselves from the tyranny of the majority."

Clearly, Canada has chosen a very different route in the way that we govern ourselves. We say that we will elect federal and provincial Parliaments that are made up of representatives of the ridings from which they come from, either he or she, and we trust that they will make the right decisions for a period of four years. If people, at the end, don't like what you've done as an individual representative, or they don't like what you've done as a government or a political party, you will be punished in the election, and you will not be elected. That is the process we have.

We have to admit that Canada and the provinces have done well under the British parliamentary system. We have a very progressive system of social programs in this country and in this province. Why? Because the parliamentary process allows it to happen. If we would have had referendums on initiatives such as this, Tommy Douglas would have never got health care in Saskatchewan for the first time, and the federal government probably wouldn't have gotten a flag, our own flag, back in the 1960s. Some of us are old enough to remember the flag flap that ensued in the mid-1960s when trying to choose a national flag, with people in this country whipped up to no degree, I remember as a young boy, on the fact of having our own flag. I remember back then saying, "Hey, we're Canada. Why shouldn't we have our own flag?" But if it would have gone to a referendum, I beg to think that we would still be flying the Union Jack over Canada. And I would argue that Steven Truscott would have gone to the gallows.

I'm making this a very strong point, but you need to trust that Parliaments will moderate what needs to be done between the will of the majority, yes, the public that we represent, and the reality of where we find ourselves. I am very strongly opposed to having referendums on initiatives such as a health tax as a way of allowing or not allowing a government to do what's right. I don't agree that this government should have done what they did and in the way they did it. I'd much rather see the revenue for health care to come through general revenue.

We were the party, if you remember back in the early 1990s, that got rid of the employer health tax. The former Liberal government under Mr. Peterson had introduced the employer health tax, somewhat similar to what Mr. McGuinty did, except it was the employer that paid as a way of raising money for health care. We thought as a party then, and we think as a party now, that that was not a progressive way of doing things. It was a burden on the private sector, and that what we needed to do as all citizens, corporate and individual, was share the responsibility for paying for public health care. So we said as a government, "Remove the employer health tax and put it into general revenue through regular taxation." And the government in this case—Mr. McGuinty—some years later, decides to return to that concept by making a tax on health care directly payable by the taxpayers of Ontario. Again, my position then, as a New Democrat, was that the way you pay for public services is by having a fair system of taxation that is reflected in the amount of income that you make, and that the lower-income classes shouldn't have to pay a larger burden of the freight, as is the case with this particular tax. So I will vote against this motion on the basis that I think referendums on taxations are a very dangerous place to go.

Mr. Tim Hudak: I don't want to divert debate into the merits of referenda or not. I appreciate Mr. Bisson's points; he's made those in the Legislature and I respect the different point of view. But the reason I brought this forward was to reflect an important aspect of legislative history, long held as well by the CTF, which was before this committee, that the Taxpayer Protection Act had been amended to avoid a referendum, whether you agree with the referendum or not, but that was a fact of history.

I don't need to debate this point any further. I just wanted to make sure I was clear as to where this motion came from.

1030

Mr. Gilles Bisson: Recorded vote.

Mr. Tim Hudak: Recorded vote, please.

Ayes

Barrett, Hudak.

Nays

Aggelonitis, Albanese, Arthurs, Bisson, Lalonde.

The Chair (Mr. Pat Hoy): The motion is lost. Now we'll move to the fourth PC amendment.

Mr. Tim Hudak: After the first paragraph of the section entitled, "The Ontario Health Premium Structure," I move that the Review of the Ontario Health Premium Draft Report be amended by adding the sentence, "The Ontario health premium is regressive in nature."

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: We heard this from a number of groups. I don't think this is even debatable. The so-called health tax by its nature charges a higher proportion of income for those impacted at the lowest income scale, while those at the highest levels of income pay a much smaller proportion of their income in the form of the Ontario health premium. By definition, that means it's a regressive tax. It reflects what we heard at committee, and I think that if we are going to give an even somewhat honest review of what happened at committee, this sentence should be included in the draft report.

Mr. Gilles Bisson: I want to say in the strongest of terms that I support this as a New Democrat. It's similar to a motion that we've put that basically gets you to the same place.

What's clear is that what people said as they came before this committee is that the way that the tax is collected is patently unfair. The more money you make, the less percentage of income you pay by way of the tax. For example, if you make \$200,000 per year—the numbers are inside the submissions here—you would pay a far smaller percentage of your income towards the health tax versus a person who makes, let's say, \$26,000 per year. That's the problem with this particular health tax: As with our tax system, it's not as fair as it needs to be.

We have seen over the last 60 years now a move from the working class paying—let me rephrase that. About 60 years ago, or about that time, about 60% to 70% of taxes were paid by people with higher incomes and by businesses and industry. What we have seen is a complete shift of that, where the working class is now paying the majority of the freight. We pay taxes by way of everything, from income tax to property tax to sales tax and other taxes that I can't think of. The basic problem we have is, the lower the income you make, the larger the burden is on you, as a percentage of your income, to pay it.

I don't mind; I make \$130,000-some-odd a year, along with other members here. I don't mind having to pay more taxes than the person who makes \$40,000 or \$50,000 a year because I can afford to do so. It's my contribution to society to say, "If I believe that we should have public services, whatever those public services are, and they're essential, it is my responsibility as a person who can afford it to do so"—I'm not saying to tax me to the point that I can't afford to live; that's not what we're arguing here. But clearly, we need to adjust our taxation system to reflect the ability to pay.

That's one of the things that quite frankly has always upset me and other people, and I think that cuts across party lines. I think most of us will agree that our system of taxation is very regressive and basically penalizes people at the lower income scale. If you're working class,

making between \$30,000 and \$60,000 a year, you're paying a larger share of the freight as a percentage of your income than somebody making \$100,000 to \$200,000. Patently, that's unfair.

If you look at corporate taxes, it's even worse. Again, it's not that I say as a New Democrat, "Let's tax the rich"; that isn't the point I'm making here. But clearly we've seen moves on the part of provincial and federal governments to remove taxes and reduce taxes to some of the business sector that don't make any sense. For example, the federal government, under Mr. Harper, has given tax reductions to the oil industry. My God, those people don't need help, but I can tell and you can tell of a whole bunch of people in our constituencies who do need help. Maybe if you're going to do an adjustment to the tax system, you'll do the adjustment for those people who need it the most and those industries that need the most help: for example, auto manufacturing, forestry etc.—in a deep crisis. If you're going to do something to assist an industry, at least have some rhyme or reason to it when it comes to being able to help your economy. I don't think the oil industry, quite frankly, needs that.

My point is, this tax is regressive and this particular motion reflects quite clearly what was said in the submissions. I support it.

Mr. Wayne Arthurs: During the committee hearings, the committee asked the research officer to provide a breakdown of the Ontario health premium payments by income group. So I'm going to argue from a slightly different perspective: that although a tax may not always be on a dollar-for-dollar basis, income groups are paying an exactly proportionate amount. I'm going to use the research that he's done for us to make the point that, of the taxpayers who are in the province of Ontario—and I'll use round numbers if I can, only because if I try to break it down into details, it wouldn't be appropriate anyway—approximately one third, as I read it, don't pay any health premium at all; approximately a third pay in the range of \$300 per year; and approximately a third pay between \$450 and the maximum amount of \$900 a year. It would appear that there's a fairly equal distribution on a broad population basis, based on income groupings, as opposed to individual specific dollars, that says that a third of the population, by virtue of income, is not paying the tax; about a third of the population is paying an amount up to one third of the tax; and about a third of the population is paying the balance of the dollars, ranging from half to the full amount of the tax. So I think it's balanced. It doesn't necessarily reflect, on a dollar-for-dollar basis, that you're paying a tax based specifically on the amount of dollars you make, compared to the amount someone else makes—but in the much broader sense that it's balanced across the broader population, with about a third not paying at all, about a third paying up to one third of the amount, and about a third paying the balance, between half and the full amount. So, from a broad provincial perspective, I don't think it's regressive in that way; I think it's fairly distributed.

Mr. Toby Barrett: I don't know to what extent it is balanced when a third of the population are not paying

the tax. I'm not sure how many of those people are paying any tax at all, for that matter. Maybe that's in the report from our research officer. Actually, in this report we do see that people with incomes between \$20,000 and \$25,000 a year, which really isn't an awful lot of money in this day and age, are paying this tax. They're paying \$300 a year at a rate of 6% of their taxable income if they're making more than \$20,000 a year, which I would think would be just above the level of somebody on social assistance.

Mr. Tim Hudak: With respect to my colleague the parliamentary assistant, it's almost like we're hearing from a charter member of the Flat Earth Society over there. I've never heard a single individual argue that the health premium is not regressive. By definition, if a low-income individual pays a higher proportion of her taxes than somebody at the highest end of the scale of her income, then by definition that's a regressive tax. We certainly heard that from deputations, and I've never heard anyone argue to the contrary.

Again, if we're going to try to reflect what we heard in committee on a factual basis, then clearly the report should say that the Ontario health premium is regressive in nature.

Mr. Gilles Bisson: Again, I don't know what committee hearings the parliamentary assistant went to. I was not here for the actual hearings, but I've read through the submissions, I've talked to Mr. Tabuns, I've read the report that was written by our legislative research officer, Mr. Johnston. Where does the parliamentary assistant get off in making that comment? Nobody has said that this tax is progressive. It's a tax and it's regressive. That's basically what people have been saying.

There were various submissions that, if they didn't call for an abolition of the tax, at the very least have said, "We want to change the way the tax is applied." So I think for Mr. Arthurs to say what he said just flies in the face of reality.

I say again that our responsibility in this committee is to accurately reflect what the public told us, not to editorialize what they've said to us so that it's flattering for the government and the government can hide behind a report that they think might absolve them from having broken that promise.

1040

Mr. Tim Hudak: Let me get this on the record as well. If you work through the numbers—and I appreciate that Mr. Johnston has put in the OHIP rate structure on page 4 of his draft report. Let me give you an example: A person with a taxable income of \$25,000 has to pay 1.2% of her income for the health tax; a person earning \$72,000, a much-better-off person than the original, pays just over 1% of his income in the form of the health tax; a person earning \$200,000 pays 0.45%; and a millionaire, somebody with a \$1-million income, would only pay 0.09% in the form of the health tax. So if the millionaire pays less than one tenth of 1% of income in the form of the health tax and a low-income working single mother is paying 1.2% of her income, clearly, by definition, this is

a regressive tax; clearly, by definition, it is one that goes after low-income working families and seniors the hardest.

I don't see how anybody could disagree with the statement that the Ontario health premium is regressive in nature, given those facts.

Mr. Gilles Bisson: Again, not to extend the debate more than it needs, but I agree entirely with what Mr. Hudak has put forward. I was trying to find in this flurry of papers I have in front of me those particular numbers. That's exactly what we've heard from the public: The more money you make, the lower the percentage of your income you pay towards this particular tax. Clearly that's unfair. If we look, for example, at what a progressive and a regressive tax are, we certainly cannot measure this as a progressive tax. The more money you make, the smaller percentage you pay of your overall income.

It seems to me that one of the challenges we have in this process is not only to reflect accurately what we have seen by way of submissions in this particular committee but to accurately reflect what was said. Clearly this particular amendment to the motion does that, and I would support that motion.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Tim Hudak: Recorded vote.

Ayes

Barrett, Bisson, Hudak.

Nays

Aggelonitis, Albanese, Arthurs, Lalonde.

The Chair (Mr. Pat Hoy): The motion is lost.

Now we'll move to PC amendment number 5.

Mr. Tim Hudak: After the first sentence of the third paragraph in the section entitled, "The Ontario Health Premium Structure," I move that the Review of the Ontario Health Premium Draft Report be amended by adding the sentence, "During the public hearings of the health tax review, not a single deputation or written submission endorsed the OHP in its present form."

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: As I said, I think that—

Interjection.

Mr. Tim Hudak: It is pretty clear that the committee should reflect—not even ideally; it should reflect automatically—what it heard during its deputations, if we're going to make any kind of report worth its salt to the Legislature as a whole. We had some folks who called for the abolition of the tax quickly; we had some who called for its abolition in a phased-in process. We had others who had mentioned—the Association of Iroquois and Allied Indians, for example, in a written submission, said that it should not apply to First Nations individuals. We had a submission from a military individual calling for it to be removed from the military. We've had seniors who have called for its removal from seniors, or in cases

of income-splitting. The United Steelworkers proposed an alternative form of taxation. We had a wide array of suggestions to either eliminate or substantially change the health tax. But not one deputation, in presentation or in written form, endorsed the OHP as it is. Therefore, I think it is our duty to report back to the Legislature the fact that not a single deputation or written submission endorsed the OHP in its present form.

M. Gilles Bisson: Clairement, cet amendement qui est soumis par l'opposition est clair et complètement en ligne avec ce que le public nous a dit à travers leurs soumissions. Il n'y a pas une personne qui est venue devant ce comité pour dire, « On est d'accord avec la taxe. » Ne pas dire ça dans un rapport, je pense, manque un peu—pas seulement un peu, mais grandement—le point. Donc, je pense que c'est nécessaire de mettre ces commentaires dans le rapport.

Je veux dire encore au gouvernement que c'est important de s'assurer que l'ouvrage qu'on fait sur ce comité reflète ce qu'on a vu et entendu des soumissions écrites et des soumissions qui ont été mises à ce comité en personne. Peut-être qu'on est d'accord, peut-être qu'on n'est pas d'accord avec ce que le public nous a dit : c'est possible. Je comprends qu'on a tous des opinions, et ces opinions-là sont complètement les nôtres. C'est pour ça qu'on est ici comme députés : c'est pour nous assurer qu'on amène ces opinions, nos points de vue, dans les débats. Mais c'est notre responsabilité dans ce comité, étant donné la manière dont ce comité a été mis en place, d'au moins refléter dans le rapport ce que le public a dit. Le public était très clair; il n'y a personne qui est venue devant ce comité ou qui a écrit à ce comité qui a dit, « On est en faveur de cette taxe. » La motion qui est mise en avant par l'opposition reflète complètement ce qu'on a entendu du public devant ce comité. Ne pas l'accepter, je pense, nous dit que le gouvernement essaie de changer un peu ce que le public nous a dit. Donc, je pense que c'est important qu'on l'accepte et je vais supporter cet amendement.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Wayne Arthurs: I want to draw to the committee's attention the table of contents of the draft report. You will have noted already, I am sure, that within the table of contents is a list of witnesses and their submissions as a part of the researcher's draft report.

Those who are reading the outcome of this committee's work and/or taking any further activity around this will certainly have the opportunity in that context to read both those who were witnesses and the submissions that were made by those folks. It would be my view that this particular motion doesn't add any value to the report in the context of those who can read those and make their own determinations on the extent to which folks either support or don't support whatever elements or form that the Ontario health tax takes. Clearly, all of the information is available for someone to make those determinations on, and I don't believe this particular amendment adds any value to the report itself. Thus, I won't be supporting it.

Mr. Gilles Bisson: Again, the parliamentary assistant—I have great respect for him. The member Mr. Arthurs is a good representative and tries to do his job. But, man, you're really trying to do the job for Dalton McGuinty here today; you're not doing the job for yourself as a representative. I'm sorry; that may be a little bit harsh, and you might be a little bit mad at my saying so, but to say, "You know what? We're giving the summations of what people said in the report and it's for them to go and read the report to find what they had to say, but we can't say in the report that everybody was opposed"—excuse me: That's the fact of what we have heard.

Again, I understand the process and you understand the process on the government side. We are going to draft a report. That report will then be basically reported to the House and the House will vote either to accept or to reject that report. Then, if it's accepted, the government will have to reflect on the contents of the report and decide what it's going to do. If it's rejected, well, then, it dies there.

That's the point at which the government pronounces its view of what it wants to do, not in the process of drafting the report. If the government—and we already know Mr. McGuinty has decided that he's not going to listen to what this committee has to say, and it's all-guns-blazing on going ahead, "because that's what I've decided." That's one thing. But the report at least has to reflect what the public has said. Clearly, what the public said by way of written submission and by way of oral submission to this committee is that they are opposed to this tax. Not a single deputation said otherwise. So for us to somehow say, "We're going to sugar-coat this by saying, 'Oh, well, go read it in the report. Everybody's comments are in there somewhere and we can't put it in the text of the report,'" I think flies in the face of what this committee heard and is a disservice to the people who came here to submit to us.

Mr. Toby Barrett: Just to follow up on Mr. Bisson's comments, we know there is a list of witnesses and we have the Hansard transcript and, of course, we encourage people to read that and decide for themselves. However, we around this table are going to be voting in another minute or so on this motion. I'm voting on behalf of the 100,000 people I represent and on behalf of the official opposition. The people who may take your advice and go read the submission are not going to get a vote one minute from now. The fact remains that Mr. Hudak read in a motion, and not a single deputation or any of that written testimony endorsed the Ontario health premium in its present form. In fact, a number of the people who approached the witness table—I listened to all the testimony, I have read all of their written submissions, and a number of them call for the elimination of this tax. Perhaps Mr. Hudak has a motion that isn't as hard-hitting. I think of the Canadian Taxpayers Federation. Kevin Gaudet sat here and advocated that we eliminate the health tax. He indicated that people in Ontario have the second-highest personal tax burden in Canada; it sits

at 44.2%. This a regressive tax. It's a burden on lower-income people that is unacceptable. We know that Alberta eliminated their health tax. That leaves only Ontario and the province of British Columbia that have a so-called health tax.

1050

Mr. Tim Hudak: This just adds another point to the long list of farcical responses by the McGuinty government on the health tax review, beginning with Dalton McGuinty saying that this committee's purposes are redundant, that no matter what the committee recommends, he's not changing anything, to hear the parliamentary assistant, for whom I have great respect, basically tell people to read the fine print.

This committee obviously, if Liberal members have their say in the votes, is going to vote that everything's hunky-dory and to stay the course, despite the fact that not a single deputation said anything of the kind. His response is, "Well, you know, people reading Hansard can look in the fine print and access all of these websites and see for themselves that people actually didn't say what the committee report is saying." I guess I'm old-fashioned, Chair. I think the committee report should actually reflect what the committee heard, and our report should include the simple, factual sentence that not a single deputation or written submission endorsed the OHP in its present form.

Mr. Gilles Bisson: Well, Mr. Hudak, you may not be old, but you are fashionable; I will give you that.

I just want to say to committee members, and specifically to the members on the government side, that all of us here have sat in government. There is not a member of this committee who has not sat in government. We all understand that we're elected to represent—we represent a political party, and that's fair. We all have a particular point of view, based on the programs that we put in place in our platforms. When we run, we have a set of core ideological beliefs that we bring to votes that we have in this House. But what I think the voters, the people of the province, want us to do—they accept that on the big issues, yes, we're going to use our political beliefs as party members to vote on an issue one way or another. That's one thing. But I think in committee work like this, it's up to the individual members to do their jobs. I sit here, and yes, I'm a New Democrat and a proud New Democrat, but I often come into committee and I'm not going to vote on the basis of something because the party says, "Do A, B or C." I've got to do what I think is right.

For example, you know that on the particular issue of endangered species, my party supported that bill. I came into this House and I spoke against it. I came into this committee and I tried to get amendments in order to do what needed to be done and I tried to represent my constituency. I failed in that; the government majority, at the end of the day, passed the bill in its form. Again, I support the intent of the bill, but I think the application and the way that it was written made it very difficult, in some of the industries in the area that I represent, to achieve those aims.

The point that I make to you is this: Yes, you might be members of the Liberal Party and the Liberal caucus, but don't come into this committee basically with your marching orders from the Premier or the party as the only way to judge what the final outcome of what you do in this committee is. You need to do what you think is right as members. And if, at the end of the day, you say, as a member, "I think that everybody who came before this committee was in agreement with us," and you believe that, well, let the voter judge that three years and some months from now. But clearly, you have a responsibility as a member of this committee and as a member representing a constituency to do what's right, and what's right here is that the public came before this committee and not a single person said that they wanted to keep this tax.

This amendment clearly says that. At the end of the day, if the Liberal Party decides that it doesn't want to go down that path because of their own beliefs—they want to keep that tax in place—you'll get your chance in the House to vote as a Liberal. But, God, in this committee, at the very least, use your rights as individual members to do what's right.

That's one of the problems of this assembly—and I just want to end on that point. The assembly in the 19 years that I've been here, and the committee work that we've done, has become much more party-driven, especially on the government side. I've seen it in the time that I was in government with Mr. Rae, I've certainly seen it under Mr. Harris and Mr. Eves, and we're now seeing it under Mr. McGuinty. Too much of what government members do is controlled by the Premier's office, and that, I think, is a real danger. All of us recognize it. I think that Mr. Barrett and Mr. Hudak will agree with me. They were put in terrible positions when they were in government, as I was under Mr. Rae, to come in and do things that, quite frankly, may not have been for the best of our constituencies. I learned that about two years into my mandate as a government member—one of the reasons that I didn't end up in cabinet. I decided to represent my constituency, because I believed, at the end of the day, in the old saying: "You always dance with the one that brought you." That's what your responsibility here is today. So I ask you to support this amendment on that basis.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Tim Hudak: Recorded vote.

Ayes

Barrett, Bisson, Hudak.

Nays

Aggelonitis, Albanese, Arthurs, Lalonde.

The Chair (Mr. Pat Hoy): The motion is lost.

We'll move to PC amendment number 6. Mr. Hudak.

Mr. Tim Hudak: In the first sentence of the section entitled "Revenue," I move that the Review of the On-

tario Health Premium Draft Report be amended by adding this sentence:

"The funds generated by the Ontario health premium flow directly into the consolidated revenue fund, not to the Ministry of Health."

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: Again, it's a factual statement. It should be non-controversial. It's not dressed up with any kind of partisan language. The committee has learned and heard from deputations as well that the revenue flows into the treasury; the technical term is the "consolidated revenue fund." The government has put out the spin that it goes to the Ministry of Health. I think we should note in our report the facts and what we heard from deputations, that the funds from the OHP actually flow into the consolidated revenue fund directly, not to the Ministry of Health.

Mr. Wayne Arthurs: Can I just draw the committee's attention to the report, under "Collection" at the bottom of page 5 and the top of page 6. I'll start right at the very bottom of page 5, where it says "OHP." If I can, for the record, as presented by the researcher: "OHP revenue, net administration fees charged by the government of Canada, is deposited into the province's consolidated revenue fund."

I'd suggest that the motion is redundant because it's already clearly stated where the resource goes. It goes to the consolidated revenue fund, and the researcher has accurately reflected that.

Mr. Gilles Bisson: Wow, Mr. Arthurs, you're good, I've got to say. That's not what the researcher said, but it's a pretty good attempt. What this amendment basically says is that the government is trying to make it look like the collection of the health tax is a tax that is dedicated and goes directly to the Ministry of Health. What this amendment speaks to is that in fact the money goes to general revenue, and the money collected by the health tax doesn't necessarily—there's no way of addressing where that money goes once it goes into general revenue. If you collect \$2 billion on the health tax, some of that may have gone to the Ministry of Northern Development and Mines or the Ministry of Transportation—God knows where it went—because it went to general revenue. The government is trying to make it look like the health tax is a hypothecated tax that goes directly to the Ministry of Health, and that's not the case.

This amendment clearly says, "The funds generated by the Ontario health premium flow directly into the consolidated revenue fund"—that part of the sentence reflects accurately what happens—and not to the Ministry of Health, in order to make clear that what people said when they came before this committee was, "Don't try to tell us this is a hypothecated tax. Don't try to tell us that this tax is directed directly to the Ministry of Health, because that's not where it goes. It goes to the consolidated revenue fund and nowhere else."

Mr. Toby Barrett: Just to follow up, this motion concludes by saying that these funds do not go directly to the Ministry of Health. As Mr. Hudak has pointed out,

this is a factual statement. As much as Mr. Hudak has indicated, the earth is round. That's a fact. We know that elephants are large, we know that bunny rabbits are fluffy and we know that this is also a fact. It's laid out. I think the parliamentary assistant is concurring with us.

1100

I do know that the Canadian Taxpayers Federation made it very clear in their testimony that calling a tax a premium is an effort to fool Ontarians into believing they're paying for health care, whereas the premium goes into general revenue and is merely a tax grab to fund other pet projects. We heard much of that in other deputations as well.

This is our final amendment. I suspect that the government will vote this one down as well, and I'm not sure how much longer I can participate in this kind of a process.

Mr. Wayne Arthurs: I've had the opportunity to be here for roughly five years now. Mr. Bisson made the point that each of us around this table has served in government during our tenure. I've had the opportunity, as well, to serve municipally. We should all understand, and I know we do, that it's one of the fundamental tenets of tax collection that the monies flow into a generalized fund and then are distributed accordingly, on the basis of need, to those functions that need those monies.

In this case, money flows to the consolidated revenue fund. It's quite clear. Money flows to the Ministry of Health to undertake health initiatives. If one looks at the expenditures that have been made in health care, it's clear that the dollars that are flowing in from the Ontario health premium to the consolidated revenue fund—it may not be the same nickel; they do have to go in and out of the bank and we probably get a different bank note when it comes back again. But that quantum of dollars clearly continues to be used for the purposes of funding health care here in the province of Ontario at a magnitude that has not been seen in the past.

When we had one of our deputants here, or I guess, on the line at that point, the Windsor Regional Hospital, we asked the question of them whether the health tax focused people's attention on the expenditures that are being made in health, and some focus of attention on whether or not they are seeing, as a health provider or their client base, changes in the way that health is being administered and advances and improvements that are being made. He concurred that the focus of having a health tax has provided a venue that has challenged the professionals to do things differently, to do things better; to allow for investments to occur and to allow the public, their clients, health care; to be able to assess whether or not they feel they are getting better, improved service; and to provide the necessary critique on how that might yet be improved further on a go-forward basis.

So I think all of us around here understand that monies that flow into the province don't flow into dedicated funds for the Ministry of Transportation for roads or the Ministry of Natural Resources for provincial parks but flow generally to the consolidated revenue fund and then

are distributed based on need. In this case, the value of the Ontario health premium is flowing to those very crucial health needs in the province of Ontario, whether they be operational or capital needs.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Gilles Bisson: All the opposition is asking for is to put a comment in the revenue section of the report on page five that clearly says that the money is going to the consolidated general revenue fund and not to the Ministry of Health. Why? One, because that's what we heard from the submissions that came before us—people basically spoke to that point; and two, because the government is trying to make it look as if this particular tax is a hypothecated tax. It's not, pure and simple.

The other thing is that the government—and we just heard from the parliamentary assistant who said, as did the representatives from the hospital of Windsor, that this tax has led to their being able to measure improvements in the health care system. First of all, I want to say up front that we are very, very unfortunate in Ontario and in Canada to have a public health care system. I, as a New Democrat, and you, as Liberals—and Conservatives even, for God's sakes—are not going to attack public health care. But let's not sugar-coat this. There are problems in our public health care system. All of you get the phone calls, because I certainly get them in my constituency—somebody goes to the emergency ward and has to wait extremely long periods of time in order to be seen by a doctor. Why? Because we've not made the types of investments we need to in the community to divert people from emergency wards to health clinics or other facilities that would be able to deal with some of the more run-of-the-mill type of medical services that are needed by people. Instead, in some cases they have no choice and have to go to the hospital emergency ward. We understand that it's a triage system, so the person who comes in with a heart attack is certainly going to get ahead of the person who's in there with a child with a fever. We all here—I had to wait four, five, six hours in emergency for my child to be seen, and there is not an impression on the part of the public out there that this health tax has lessened the time in the waiting room. In fact, the wait times in many cases have gone up. You might be able to measure it in a few hospitals where they went down because of population shifts etc.

Interruption.

Mr. Gilles Bisson: That's not my phone, just for the record; I turned my off.

But clearly that was not the case.

The other calls that we get are hip and knee surgeries. The wait times to get hip and knee surgeries are pretty long and extended, and people have to put up with pretty excruciating pain waiting to get knee surgery. I believe, as a New Democrat, again, this might be part of the plan. If you can show that the system is failing in a measurable way and you can underfund it—and I think that was part of what the Conservatives were up to, certainly federally, and, I would argue, under Mike Harris—it makes the argument that maybe there is a large and increased role

for the private sector. Certainly the current government has gone down that road with its private partnerships in building hospitals and farming out services that clearly should be done by the public sector and not done by the private sector. I think that's part of the problem we're into.

We need, as a nation and as a province, to recommit our support for a public health care system. Why? Because it's the right thing to do. That means to say that we have to fund health care adequately. Yes, it's a large part of our budget. Somebody will correct me, but probably over 40% of what we spend in this province goes to health care, but rightfully so. When I go to the emergency department with my mother or child or whatever and they need medical services, we get good services in Canada compared to what most other nations in the world get. That costs money and we need to fund that adequately. I think to say otherwise is a bit beyond the pale. For the government to say that this tax has led to a better health care system and that we can measure the outcomes because of this tax is a bit beyond the pale, because I think part of the agenda of the government, in some cases, is to make the argument, by making the system fail, that we need an increased role for the private sector, something which I oppose.

Mr. Tim Hudak: I just want to quickly point out the irony: My friend, the parliamentary assistant, is following closely in the first steps of his Premier. Premier McGuinty famously and cynically dismissed the work of this committee as redundant. My colleague now has called the opposition amendment redundant, following, I guess, the talking points of the Liberal Party on this exercise. Again, I think this statement is factual; it reflects what we heard in the hearings and I think it's important for us to instruct the other members of the Legislative Assembly on what the committee actually heard during the hearings. If there are no other comments, I would request a recorded vote, please.

Mr. Wayne Arthurs: Having seen the amendments this morning, if there were such things as talking points, I assume we wouldn't have had the time to draft them such that the language I chose to use would be part of those. The report clearly states that monies go into the consolidated revenue fund, and thus I believe and stand by the point that it is unnecessary; it becomes a redundant motion when in fact it's already in the report by the researcher.

The Chair (Mr. Pat Hoy): A recorded vote has been requested.

Ayes

Barrett, Bisson, Hudak.

Nays

Aggelonitis, Albanese, Arthurs, Lalonde.

The Chair (Mr. Pat Hoy): The motion is lost.

That concludes the amendments. Shall the draft report carry?

Mr. Tim Hudak: No. Is there debate on your request for a vote on the draft report?

The Chair (Mr. Pat Hoy): You could speak to the question.

Mr. Tim Hudak: Absolutely, on whether the draft report should carry: With all due respect to Mr. Johnston, who I think has worked very hard and done an admirable job of presenting the history of the bill, I think it was important for us, as committee members, to honestly reflect to the members of the Legislative Assembly, where this report will go, what we actually heard in the committee hearings. Each of our amendments has been shot down by the government members, with only one member of the government side speaking, mind you.

1110

The Premier prejudged this hearing from the beginning. He prejudged the work of the members of the Legislative Assembly of all three parties, and he cynically dismissed the efforts of taxpayers who took the time to present here at committee or to send in written deputations.

Despite hearing from all of these groups, despite their advice on a range of issues, the government has brought forward one wishy-washy motion that basically says, "We're in a land of milk and honey and health taxes," that nothing is going to change. It's a farcical motion that they'll be introducing shortly, it's fluff, and it's totally at odds with everything that we heard from deputations at this committee. Chair, this is a sham process from day one, and the parliamentary assistant is taking his marching orders and made report writing a sham process as well.

The official opposition presented six distinct factual statements—not dressed up in partisan language. We stated, clearly and accurately, that Dalton McGuinty prejudged the hearings by calling them redundant, saying that they were only a technicality.

Clearly, this health tax was a key broken promise in the McGuinty government, and I don't know how members of the Liberal side can say that it wasn't. They eliminated, in the Legislature, the requirement to have a referendum on the Ontario health premium—it's a fact. The whipped Liberal members voted it down. The health tax is clearly regressive in nature. I have never heard anyone argue the opposite, but the Liberal members again voted down what has been a fact stated at this committee many times and by others outside of the committee. Not a single deputation, written or presented live and in person, endorsed the Ontario health premium as is. I think it's important for us to reflect that fact in our report. We need to tell members of the Legislative Assembly that we listened to the taxpayers, and not a single one endorsed the OHP in its present form. The whipped Liberal members voted down that statement of fact.

Finally, number 6, that the revenue from "the Ontario health premium flow directly into the consolidated revenue fund, not to the Ministry of Health," as has been

spun by government members—again, the Liberal members voted down what is a statement of fact.

Sadly, the conduct of the Premier and the conduct of at least one of his members who has spoken out and shot down these reasonable and factual amendments, I believe, shows contempt for the taxpayers who took the time to present at committee or to write to us, it shows contempt for taxpayers who are burdened with this Ontario health tax, and it shows contempt for the members of the Legislative Assembly of all parties, whether here in committee or in the House as a whole.

I don't know how anybody can disagree that this was a broken promise and that it imposes a burden on seniors, low-income working families and that it's regressive. I don't see how anybody can argue with the fact that it's a tax-grab on military personnel who don't even use the Ontario health care system, and I don't see how they can disagree with the presentation that we heard that it punishes people who are splitting their pension income.

Despite the various and thoughtful presentations to this committee, not a single one will be reflected in the government's motion, and they want to make sure that the report that we send as members of this committee is a sham report that glosses over all of the problems with the health tax and hides from members of the assembly and the general public what we actually heard at committee today. When I see the slipshod, sloppy, fluffy, farcical motion, the only one the government members brought forward—I don't know how much longer we can dignify this sham of a process by participating in this committee for one more moment. I'm going to withdraw from this committee in protest of its sham nature.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Gilles Bisson: Ditto.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: If I can, just briefly: There were a number of motions that we dealt with. Certainly, the opposition was not unanimous in its entirety in support of those motions—being both opposition parties, not just one. A number of the motions were reflected in the report, as prepared by Mr. Johnston, that clearly articulated the issues the opposition was bringing forward. I would respectfully suggest that they might want to take their copies at the end of the day and use a highlighter to find where their motions are reflected in the report, and that would allow them to make their case.

I just want to make a generalized comment, and if I'm incorrect in this, I hope that someone will correct me, because I will have spent four or five years in this process under a severe misunderstanding. Committee work, as I understand it, is a combination of having deputants, written and/or oral submissions; in our case, in person and by teleconference. Those are an element of any type of committee work, and they would be an element of a review process, but they're not the review process. The position that was being taken, to a large extent, by the opposition is that the report should solely and singularly reflect what we heard from the seven, eight or nine deputants—I've forgotten the number; nonetheless, it wasn't

extensive—as the case might be, in one fashion or another; that the report should solely and singularly reflect the view of a group of individual or organizational stakeholders, to the exclusion of the committee's consideration of the impacts of the health premium, the views that members of the committee might hear from their constituents, the debate that has gone on in the Legislature since the introduction of this particular piece of legislation in May 2004, the comments that have been made by any number of members of the Legislature inside and outside. Again, I stand to be corrected, but if the committee's work is solely and singularly to reflect the views of those who choose to make a presentation, then the work of the committee could readily be done simply by copying the submissions, as they're here, and rightfully so, for us to review; by putting them in Hansard and allowing people to read Hansard.

I think the work of committees is far more substantive. The work of committees is to consider those submissions in a much broader context—in this case, the health premium—from the history, the expertise, the engagement that we have as legislators, and then report accordingly back to the Legislature based on all of those factors.

I want to thank Mr. Johnston for his report. I think it clearly, as Mr. Hudak said, was an admirable job. I think it clearly reflects the history. I think he hasn't pulled any punches, in the context of ensuring the inclusion of matters of quotes directly from Minister Sorbara's speech in 2004, where issues were raised around the need for this particular piece of legislation and the revenue stream from that. He didn't pick out only one line; he took an entire appropriate paragraph in which the minister of the day took ownership for the situation, in the context of introducing the tax in light of a large deficit for the purpose of keeping a promise around improved health care. Mr. Johnston clearly reflected, without having been prompted by the opposition, where the resource goes. At no time has the government, in my view, in my time, tried to deflect in some fashion that this money is going directly to the Ministry of Health. The only time I ever heard that was from the opposition, quite frankly. I've always heard that the monies go to the general revenue fund. That is money dedicated in the context of volume of quantum to the health care system, and our expenditures on health care would truly reflect that these dollars had been and continue to be needed for the purpose of health care here in Ontario if we want to continue investing in this as a key priority for Ontarians.

We didn't discuss in the context of the debate up until now, but this is an opportunity just to put it on the record as well, that we had a form of referendum in October 2007, and the health premium certainly wasn't the only issue that the people of the province of Ontario were taking into consideration during that debate in September and October of 2007. But I would pose that, among the issues that the people of the province of Ontario had to consider, it was whether or not the investments that were being made in health care—and those investments include the Ontario health premium as a tax—were im-

portant to the people of Ontario, and whether they were important in making a determination on electing members individually, and in what form a government would look like when those members were elected.

1120

I can say without hesitation that if one looks at that result, the outcome was a strong majority government for the Liberal Party under the leadership of the Premier. Among the issues was the issue of health care and the matter of the Ontario health premium, to the extent that, on the individual basis, people may not like taxes. We'd all love not to have taxes, I guess, but that's not a democracy. It's not where we work, where we live, where we play and where our health needs are being serviced. The public made a determination in the context of that referendum under a scope of issues, as to whether or not they were prepared to continue to see this party form the government under the leadership of our Premier and make the necessary investments as part of that.

I just wanted to put those matters on the record, particularly the matter of the function, form, nature and activity of committee work, at least in my understanding in my time here. Certainly, in my time in municipal government, it was an awful lot about hearing from a broad public and taking their views into consideration and balancing those views, adding and balancing them against what the broader needs are. I believe that the committee work over the days we had the deputations and our work today reflects that.

We didn't need to have three days of committee hearings for deputants and witnesses. We had set aside that amount of time, which would have included travel, but by consent of all three parties through a subcommittee determined that if we had less than a minimum number of folks at a location, we wouldn't travel. It wouldn't be necessary to have those expenditures and that time and effort, but we provided opportunity for folks to be able to conference in or make their submissions.

The result of that, having provided that opportunity and having advertised extensively for it, was a rather limited number of individuals and organizations. The opposition, I'm sure if they were still here, might argue the case that it was because people had already made up their minds that nothing was going to change. I would argue the contrary: that people have given due consideration to this; they understand the need, to a large extent, for this particular dedication of tax through the consolidated revenue fund to support the Ministry of Health and its work to ensure that Ontario moves forward on its health agenda.

If I'm in error, I'm sure that, at some point, someone will correct me in the context of the work of committee. If someone doesn't correct me, then I'll continue to proceed on that basis in the future, that my job is broader than listening to, hearing from and reading the submissions of deputants and then simply figuring out how to incorporate those into a report in the absence of my role as a legislator, with the expertise that I can bring to this table, and take those views into account in making

determinations on a report that I would like, on elements I would like to support and see move forward.

So, Mr. Chairman, those are my comments. At your pleasure, I would be happy to move the government motion.

The Chair (Mr. Pat Hoy): First, shall the draft report carry?

Mr. Wayne Arthurs: Recorded vote, please.

Ayes

Aggelonitis, Albanese, Arthurs, Lalonde.

The Chair (Mr. Pat Hoy): Carried.

Now then, you indicated you had a motion, Mr. Arthurs? You would put it now.

Mr. Wayne Arthurs: The Standing Committee on Finance and Economic Affairs recommends that—after hearing from a number of Ontarians during the public hearing phase of this review that health care in Ontario is improving because of the government's investments since 2003—the government continue making the significant investments that it has made since 2003 in health care and that it continue to increase investments in health care and that it continue along its plan to:

- invest in public health care to lower wait times;
- invest in public health care to improve access;
- invest in public health care to promote health and prevent illness;
- and invest in modernizing health infrastructure.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Wayne Arthurs: Mine will be very brief. I don't know whether other members of our caucus in the committee would want to comment briefly as well. I'd simply say that I want to thank the deputants for the submissions that were made, some of which I agree with, some of which I don't. I want to thank the staff for the work that they've done in preparing a report for us that we can now send forward to the Legislature.

I want to say that the investments that we have been making are making dramatic changes in the health care system. At a very local and somewhat partisan level, I'm extremely pleased with the capital investment being made in hospitals that my constituents are served by. I'm pleased with the development of the family health teams structure, in and near where I am, as we work to actualize family health team activity. I'm pleased with the reductions we see in wait times for a variety of activities, all as part of our initiatives under health care. I look forward to seeing continued improvements in health care, particularly when people can identify at a local level and see those improvements.

I was very excited with the presentation made by the Windsor regional health centre in the context of—I'm trying to recall the phraseology; I don't have it in front of me—their initiatives when it comes to emergency care, where they want to move people into the system quickly and not have them waiting, and thus move them through the system, and the opportunities that that presents for

them to share that expertise with others in the province. I'm anxious and hopeful that hospitals in my community will be able to draw upon that expertise so that wait times in hospitals for emergency can be eliminated, ideally by moving people through in a different structure. I think that's an important element, a key element of what the Minister of Health and the Ministry of Health are dealing with now in the hospital sector, making emergency wait times ideally obsolete, but at the very least reducing them to the greatest amount possible. I think we're making strides that way. In particular, the presentation we had in that regard is going to be very helpful in that respect.

The Chair (Mr. Pat Hoy): Thank you. Mr. Lalonde.
Interjection.

The Chair (Mr. Pat Hoy): Would you raise your microphone, please? It's down quite low.

Mr. Jean-Marc Lalonde: Just briefly, in support of Mr. Arthurs' comments: One of the reasons, I was told, by some of my constituents and also from the neighbouring municipalities, that they didn't submit their application to appear in front of the committee was the fact that they do recognize the need to improve health care in Ontario. When I refer especially to MRIs in Ottawa, anybody who is telling me now that they cannot get an MRI within a month—because quite a few of them are getting an MRI in four days, seven days and eight days.

They do now recognize the need for that premium or tax, as we call it, for health care to improve the health services and also to respond to the needs of Ontarians. This is one of the reasons that we had so few deputations. Like Mr. Arthurs said, we had set aside three days, and some of those people from outside the Toronto region were able to do it by phone, which was accepted by the committee.

The Chair (Mr. Pat Hoy): Thank you. I'll call the motion, then. All in favour? Carried.

Committee, shall the report, including recommendations, carry? All in favour? Carried.

Who shall sign off on the final copy of the draft? The Chair?

Mr. Wayne Arthurs: The Chair.

The Chair (Mr. Pat Hoy): Carried.

Shall the report be translated? Carried.

Shall the report be printed? Carried.

Shall the Chair present the report to the House and move the adoption of its recommendations? Carried.

We are adjourned—oh, I had one other comment I wanted to make before we do adjourn. Any dissenting opinion to this review will be due by August 28 at 5 p.m. And now we are adjourned.

The committee adjourned at 1131.

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Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Gilles Bisson (Timmins–James Bay / Timmins–Baie James ND)

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